



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, April 8, 2022, 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. In compliance with the state-wide mandate for COVID-19, members of the public may attend the Authority Board meeting at 8:30 a.m. on Friday, April 8, 2022 via Webex: 1-844-621-3956; Meeting Number (access code): 2632 874 3655

- I. CALL TO ORDER
- II. PRESENTATIONS: None
- III. FINANCIAL REPORT ([document](#))
- IV. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority March 11, 2022 Regular Meeting Minutes ([document](#))
 - B. Approval of the Greater Asheville Regional Airport Authority March 11, 2022 Closed Session Minutes
- V. OLD BUSINESS:

In compliance with the state-wide mandate for COVID-19, the Public Hearing for Old Business Items A and B will be as follows:

1. Please fill out a Comment Card located on the airport website here: <https://flyavl.com/boardcomment> by 3:00 pm on Thursday, April 7, 2022



2. At 8:30 a.m. on Friday, April 8, 2022, members of the public may make their comments heard via Webex: 1-844-621-3956; Meeting Number (access code): 2632 874 3655
- A. Public Hearing and Final Adoption of the Authority's Amended Ordinance 201601-8 for Airline Rates, Fees and Charges for the Asheville Regional Airport ([document](#))
- B. Public Hearing and Final Adoption of the Authority's Fiscal Year 2022/2023 Budget ([document](#))

VI. NEW BUSINESS:

- A. Approval of Task Order No. 2 Part C with GS&P N.C. an Affiliate of Gresham Smith and Partners for Terminal Building Phase 2 Modernization Construction Administration and Additional Services ([document](#))
- B. Approval of Amended Body-Worn Camera and Dashboard Camera Policy ([document](#))
- C. Approval of Bond Issuance ([document](#))

VII. DIRECTOR'S REPORT:

- A. Tenant Parking

VIII. INFORMATION SECTION:

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

- A. February 2022 Traffic Report ([document](#))
- B. February 2022 Monthly Financial Report ([document](#))
- C. April 2022 Development/Project Status Report ([document](#))
- D. Potential Board Items for the Next Regular Meeting:
 - None identified at this time



IX. PUBLIC AND TENANTS' COMMENTS

In compliance with the state-wide mandate for COVID-19, Public and Tenant Comments will be as follows:

1. Please fill out a Comment Card located on the airport website here: <https://flyavl.com/boardcomment> by 3:00 pm on Thursday, April 7, 2022
2. Comments received, as specified above, shall be read during this Agenda period

X. CALL FOR NEXT MEETING: May 13, 2022

XI. CLOSED SESSION:

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

XII. AUTHORITY MEMBER REPORTS:

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

XIII. ADJOURNMENT

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

**Asheville Regional Airport
Executive Summary
February-22**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	47,636	107.3%	89,556	96.2%
Aircraft Operations				
Commercial	1,451	11.4%	2,868	11.6%
Scheduled Flights	608	6.7%		
Flight Cancellations	14			
Seats	65,918	27.6%	130,454	34.1%
Load Factor	72.3%	62.5%	68.6%	46.4%
General Aviation	2,921	40.5%	5,907	29.7%
Military	322	175.2%	783	123.1%

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 1,215,598	(6.6%)	\$ 12,634,018	21.4%
Operating Expenses	780,593	(24.9%)	5,951,907	(28.4%)
Net Operating Revenues before Depreciation	<u>\$ 435,005</u>		<u>\$ 6,682,111</u>	
Net Non-Operating Revenues	<u>\$ 339,930</u>	11.4%	<u>\$ 13,643,848</u> *	459.2%
* Includes CARES funds \$3,257,883 and Travelers settlement \$7,000,000				
Grants:				
FAA AIP Grants	\$ 144,732		\$ 4,350,989	
NC Dept of Transportation Grants	1,417,444		4,252,332	
Total	<u>\$ 1,562,176</u>		<u>\$ 8,603,321</u>	

CASH

Restricted	\$ 13,837,908
Designated for O&M Reserve	6,038,279
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	18,680,403
Total	<u>\$ 39,206,590</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	19,210	5,125	3,795	10,290
Allegiant	760	760	-	-
American	10,814	4,126	-	6,688
Delta	172,498	50,052	59,644	62,802
Elite	280	-	-	280
FAA	147	-	-	147
Paradies	9,049	-	-	9,049
Spirit	341	-	-	341
TSA	14,590	160	6,660	7,770
United	12,584	12,584	-	-
World Fuel Services	1,758	-	-	1,758
Worldwide	250	-	-	250
Miscellaneous	3,961	205	125	3,631
Total	<u>\$ 246,242</u>	<u>\$ 73,012</u>	<u>\$ 70,224</u>	<u>\$ 103,006</u>
% of Total Receivables	32.38%			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

	Original Amount	Current Balance
Parking Garage Revenue Bond, Series 2016A	\$ 15,750,000	\$ 14,990,000
Parking Garage Taxable Revenue Bond, Series 2016B	5,250,000	-
	<u>\$ 21,000,000</u>	<u>\$ 14,990,000</u>

CAPITAL EXPENDITURES

Annual Budget	\$ 36,490,467
Year-to-Date Spending	\$ 7,075,714

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
March 11, 2022**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, March 11, 2022 at 8:30 a.m. in the Conference Room at the Authority's Administrative Offices, Asheville Regional Airport ("Airport"), 61 Terminal Drive, Suite 1, Asheville, NC 28732.

MEMBERS PRESENT: Matthew C. Burrell, Chair; Brad Galbraith, Vice-Chair; George H. Erwin, Jr.; Carl H. Ricker, Jr.; Thomas M. Apodaca; and Susan Russo Klein

MEMBERS PRESENT VIA VIDEO: Britt Lovin

MEMBERS ABSENT: None

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director; Tina Kinsey, Director of Marketing, Public Relations & Air Service Development; Janet Burnette, Director of Finance and Accounting; Shane Stockman, IT Director; John Coon, Director of Operations and Maintenance; Christina Madsen, Airport Properties and Contracts Manager; Jared Merrill, Airport Planning Manager; Samuel Sales, Chief of Public Safety; Michael Merideth, Systems Administrator; and Ellen Heywood, Clerk to the Board

PRESENT IN PERSON: Paul Puckli, CHA Consulting;

ALSO PRESENT VIA TELEPHONE: James Moose; Avcon; Sandra Kilgore, Asheville City Council; John Kasuda, Siemens; Jeff Kirby, Parrish and Partners; and Jon McCalmont, Parrish and Partners

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

PRESENTATIONS: None

FINANCIAL REPORT: A review of enplanements, aircraft operations, and general aviation activity for the month of January was provided by the Director. Janet Burnette reported on the financial activity for the month of January.

CONSENT ITEMS: The Chair stated that Consent Item C, Approve the Greater Asheville Regional Airport Authority February 18, 2022 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approve the Greater Asheville Regional Airport Authority February 18, 2022 Regular Meeting Minutes: Mr. Erwin moved to approve the Greater Asheville Regional Airport Authority February 18, 2022 Regular Meeting Minutes. Ms. Russo Klein seconded the motion and it carried unanimously.

B. Approval to Amend the Lease and Agreement between DreamCatcher Broadmoor, LLC and the Greater Asheville Regional Airport Authority to Change the Date for Disbursement of the Tenant Allowance and Completion Dates for Capital Repairs: Mr. Erwin moved to approve amending the Lease and Agreement between DreamCatcher Broadmoor, LLC and the Greater Asheville Regional Airport Authority to Change the Date for Disbursement of the Tenant Allowance and Completion Dates for Capital Repairs. Ms. Russo Klein seconded the motion and it carried by a 6 to 0 vote with Mr. Apodaca abstaining.

OLD BUSINESS: None

NEW BUSINESS:

A. Preliminary Approval of Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport Authority: Janet Burnette informed the Board that in preparation for the upcoming FY2022/2023 Budget, a new Schedule of Airline Rates, Fees and Charges for FY2022/2023 has been developed for Ordinance No. 201601-8 using the same rate methodology as in the past. A meeting was held with the airlines on February 24, 2022 to present the new proposed airline rates, fees and charges.

The Director stated that the meeting with the airlines went well, and that the airlines understood and did not have any issues with the rates and charges.

Mr. Apodaca moved to consider and approve the proposed Airline Rates, Fees and Charges; schedule a public hearing and accept public comment on the proposed Airline Rates, Fees and Charges; and following the minimum period for public comment and public hearing, adopt the Airline Rates, Fees and Charges for FY2022/2023 at the next scheduled Authority Board meeting. Mr. Ricker seconded the motion and it carried unanimously.

B. Approval of Authority's Preliminary Fiscal Year 22/23 Budget: Janet Burnette presented the proposed preliminary Fiscal Year 2022/2023 Budget including the proposed operating revenues as well as the proposed operating expenses which included a 6% salary adjustment pool, the addition of 7 FTE's, an increase in contractual services as well as an increase in travel and training. Mrs. Burnette highlighted the proposed capital budget as well as the capital funding sources. Also reviewed was the estimated cash balance and Mrs. Burnette advised the Board that the negative cash balance shown on the schedule would be covered once the bond funding was received.

The Director reminded the Board that the construction contract for the terminal expansion project would still need Board approval, so if the bond funding was not received, staff would not move forward with the construction of the terminal.

Mrs. Burnette spoke about the proposed changes to the supplemental fee schedule, specifically labor rates as well as the addition of a PIN reset fee for the double authentication for the access control system. The Director stated that staff has been discussing the possibility of an increase in parking rates, but will bring that to the Board for consideration at a later date.

Mr. Erwin moved to approve the proposed Preliminary Fiscal Year 2022/2023 Budget and to accept public comment on the Proposed Fiscal Year 2022/2023 Budget during the next 10 days. Mr. Apodaca seconded the motion and it carried unanimously.

C. LGC Preliminary Findings Resolution: The Director gave a brief explanation for the following preliminary findings resolution. The Director stated that he was required to read the title: Resolution Making Certain Findings and Determinations, Authorizing the Filing of an Application with the Local Government Commission and Requesting the Local Government Commission to Sell Bonds at a Private Sale in Connection with the Issuance of Airport System Revenue Bonds by the Authority. The Director reported that the resolution identifies an aggregate principal amount not to exceed \$275,000,000 worth of bonds. The Director informed the Board of the bond team and reported that a meeting will be held at the end of March with the LGC to go over the documentation that will be submitted to them. The LGC will have a meeting the first week of May to review and approve all applications and the LGC has already given approval to the Authority to sell bonds on May 19. The bond team has recommended a two series issuance of bonds, one in May for a smaller amount and one later in the summer. The Director stated that the reason for this schedule is that the Authority is waiting to find out how much grant money the airport will receive from the infrastructure bill that was passed.

A regular meeting of the Board of Directors of the Greater Asheville Regional Airport Authority was held in the Board Room of the Greater Asheville Regional Airport Authority Offices, located on the second floor of the Airport, 61 Terminal Drive, Suite 1, Fletcher, North Carolina, the regular place of meeting, at 8:30 a.m. on March 11, 2022.

Present: _____

Absent: _____

Also Present: _____

* * * * *

_____ introduced the following resolution the title of which was read and copies of which had been previously distributed to each Member:

RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF AIRPORT SYSTEM REVENUE BONDS BY THE AUTHORITY

BE IT RESOLVED by the Board of Directors (the "Board") of the Greater Asheville Regional Airport Authority (the "Authority"):

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

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

(b) In order to go forth with the necessary capital improvements, the Authority will issue one or more series of revenue bonds in an aggregate principal amount not to exceed \$275,000,000 (the "Bonds").

(c) The issuance of the Bonds is necessary and expedient.

(d) The amount of the Bonds is adequate and not excessive for financing the portion of the Project intended to be financed thereby.

(e) The Project is feasible.

(f) The Authority's debt management procedures and policies are good.

(g) The Bonds can be marketed at a reasonable interest cost to the Authority.

Section 2. The Chair, the Clerk to the Board, the Executive Director and the Director of Finance and Accounting of the Authority are hereby authorized and directed to file an application with the Local Government Commission for approval of the issuance of revenue bonds in an aggregate principal amount not to exceed \$275,000,000 for the purpose of providing funds, together with any other available funds, to (a) pay costs of the Project, (b) pay capitalized interest with respect to the Bonds, (c) fund a debt service reserve fund or purchase a debt service reserve fund policy for the Bonds, and (d) pay certain other fees and expenses associated with the issuance of such revenue bonds including, without limitation, a bond insurance premium.

Section 3. The Chair, the Clerk to the Board, the Executive Director and the Director of Finance and Accounting of the Authority are hereby authorized and directed to take all action necessary to obtain the approvals of local government units required under the rules and regulations under the Internal Revenue Code of 1986, as amended, to approve the issuance of the Bonds after a public hearing.

Section 4. The Local Government Commission is requested to sell the Bonds at a private sale without advertisement.

Section 5. The following professionals are serving in the following capacities in connection with the issuance of the Bonds:

Bond Counsel:	Womble Bond Dickinson (US) LLP
Financial Advisor:	PFM Financial Advisors LLC
Airport Consultant:	Landrum & Brown, Incorporated
Senior Underwriter:	Raymond James & Associates, Inc.
Counsel to Underwriter(s):	Butler Snow LLP
Trustee/Registrar:	The Bank of New York Mellon Trust Company, N.A.
Authority Counsel:	Patla, Straus, Robinson & Moore, P.A.

The Executive Director is hereby authorized to engage additional firms to act as underwriters for the Bonds to the extent the Executive Director concludes that such engagement is in the best interests of the Authority.

Section 6. This resolution shall take effect immediately upon its passage.

Upon motion of _____, seconded by _____, the foregoing resolution entitled "RESOLUTION MAKING CERTAIN FINDINGS AND DETERMINATIONS, AUTHORIZING THE FILING OF AN APPLICATION WITH THE LOCAL GOVERNMENT COMMISSION AND REQUESTING THE LOCAL GOVERNMENT COMMISSION TO SELL BONDS AT A PRIVATE SALE IN CONNECTION WITH THE ISSUANCE OF AIRPORT SYSTEM REVENUE BONDS BY THE AUTHORITY" was passed by the following vote:

Ayes: _____

Noes: _____

* * * * *

I, Ellen Heywood, Clerk to the Board of Directors of the Greater Asheville Regional Airport Authority, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of the Board of Directors of the Authority at a regular meeting held on March 11, 2022 as it relates in any way to the passage of the foregoing resolution and that said proceedings are recorded in the minutes of the Board.

I DO HEREBY FURTHER CERTIFY that proper notice of such regular meeting was given as required by North Carolina law.

WITNESS my hand and the corporate seal of the Authority this 11th day of March, 2022.

Secretary

[SEAL]

Mr. Ricker moved to approve the Resolution Making Certain Findings and Determinations, Authorizing the Filing of an Application with the Local Government Commission and Requesting the Local Government Commission to Sell Bonds at a Private Sale in Connection with the Issuance of Airport System Revenue Bonds by the Authority. Mr. Apodaca seconded the motion and it carried unanimously.

D. Approval of Audit Contract for Fiscal Year Ending June 30, 2022: Janet Burnette reported that Martin Starnes & Associates was approved by the Board in 2021 to provide audit services for up to five years. Staff was pleased with their services and recommended contracting for a second year for the annual audit for the fiscal year ended June 30, 2022. Mrs. Burnette advised the Board that the fee for their services is \$31,950 and was included in the FY2023 budget.

Mrs. Russo Klein moved to approve the contract for audit services with Martin Starnes & Associates in the amount of \$31,950 and authorize the Executive Director to execute the necessary documents. Mr. Erwin seconded the motion and it carried unanimously.

E. Approval of Contract with Independence Excavating, Inc. for the South General Aviation Apron Reconstruction Project: Jared Merrill informed the Board that on March 3, 2022 bids were received from only two contractors for the rehabilitation of the south general aviation apron project. The project was re-advertised for the required seven days and on March 10, 2022 bids were received from two contractors with the apparent low bid submitted by Independence Excavating, Inc. in the amount of

\$6,746,800.00. The project budget will include a 10% allowance of \$674,680.00 and would bring the project total to \$7,421,480.00. Mr. Merrill stated that the project would be paid for with FAA AIP funding in the amount of \$3,475,168.00 and the remaining balance of \$3,946,312.00 with airport funds. This will necessitate the following budget amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2022:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	\$7,421,480.00
Totals	_____	<u>\$7,421,480.00</u>

This will result in a net increase of \$7,421,480.00.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Federal AIP Grant Funds		\$3,475,168.00
Transfer from GARAA Cash	_____	<u>\$3,946,312.00</u>
Totals	_____	<u>\$7,421,480.00</u>

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

Adopted this 11th day of March 2022.

Matthew C. Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board

Mr. Merrill stated that the low bid came in within 3% of the engineer's estimated probable cost and that concrete will be used for this project rather than asphalt to better handle commercial aircraft that park in that area.

Mr. Apodaca moved to approve a budget for the reconstruction of the South General Aviation Apron in the amount of \$7,421,480.00 (\$6,746,800.00 and 10% allowance of \$674,680.00), subject to FAA review and approval, approve the contract with Independence Excavating, Inc. in the amount of \$6,746,800.00, authorize the Executive Director to execute the necessary documents, and amend the FY21/22 budget as presented by staff. Mr. Ricker seconded the motion and it carried unanimously.

DIRECTOR'S REPORT: The Director stated that he had a few additional items to address that were not included on the agenda.

A. Washington, DC Update: The Director reported that he had an opportunity to meet with several legislators at the recent ACI/AAAE legislative conference he attended in Washington, DC. The Director gave an update on topics discussed at the conference.

B. TEFRA Hearing: The Director stated that in conjunction with the bond issuance, a TEFRA Hearing was a requirement so that members of the public could learn how government entities will be using non-taxable bonds. The hearing was scheduled for March 17th at 3:00 pm.

C. TSA Mask Mandate: TSA's mask mandate has been continued to April 18th. The United States is one of the few countries that has not lifted the testing requirement to enter the country.

D. Annual Report: A copy of the 2021 Annual Report was available at the Board Members' seats.

E. Purchasing Policy: The Director reminded the Board that at the February Authority Board meeting, the Board approved an amendment to the purchasing policy. Ms. Rice put together an update to the purchasing policy which was reviewed by the Chair and Vice-Chair. This policy is now in place.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: None

CALL FOR NEXT MEETING: The Director stated that the March 23, 2022 meeting would not be necessary since the Preliminary FY22/23 Budget was approved by the Board earlier. The Chair stated that next regular meeting of the Board will be held on April 8, 2022.

AUTHORITY MEMBER REPORTS: None

CLOSED SESSION: At 9:43 a.m. Mr. Erwin moved to go into Closed Session Pursuant to Subsections 143-318.11 (a) (3) and (4) of the General Statutes of North Carolina to Consult with Legal Counsel regarding, among other things, that Buncombe County Lawsuit entitled Christopher McFalls vs. The Greater Asheville Regional Airport Authority; to Preserve the Attorney-Client Privilege; and to Discuss Matters Relating to the Location and/or Expansion of Industries or Other Businesses in the Area Served by the Greater Asheville Regional Airport Authority, Including Agreement on a Tentative List of Economic Development Incentives that may be Offered by the Greater Asheville Regional Airport Authority in Negotiations. Ms. Russo Klein seconded the motion and it carried unanimously.

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

Open Session resumed at 11:11 a.m.

Mr. Galbraith left the meeting during the closed session.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY MARCH 11, 2022

CLOSED SESSION MINUTES: Mr. Erwin moved to seal the minutes for the Closed Session just completed and to withhold such Closed Session minutes from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Apodaca seconded the motion and it carried by a 6 to 0 vote.

APPROVAL OF THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

FEBRUARY 18, 2022 CLOSED SESSION MINUTES: Mr. Erwin moved to approve the minutes for the Greater Asheville Regional Airport Authority February 18, 2022 Closed Session and to seal and withhold the minutes for the February 18, 2022 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Ms. Russo Klein seconded the motion and it carried by a 6 to 0 vote.

ADJOURNMENT: Mr. Apodaca moved to adjourn the meeting at 11:13 a.m. Mr. Erwin seconded the motion and it carried by a 6 to 0 vote.

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Matthew C. Burrell
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 8, 2022

ITEM DESCRIPTION – Old Business Item A

Public Hearing and Final Adoption of the Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport.

BACKGROUND

A proposed preliminary Amended Schedule of Airline Rates, Fees and Charges for FY2022-2023 was presented to, and approved by, the Authority Board at the Board meeting held on March 11, 2022. The rates, fees and charges document has remained available for public inspection and comment since March 11, 2022, with no comments being received to date.

ISSUES

A Public Hearing is required in accordance with the Greater Asheville Regional Airport Authority Policy and Procedure for the Adoption of Ordinances.

ALTERNATIVES

None recommended.

FISCAL IMPACT

As outlined in the 2022/2023 Budget Ordinance.



RECOMMENDED ACTION

It is respectfully requested that following the Public Hearing on the Authority's Amended Ordinance for Airline Rates, Fees and Charges that the Greater Asheville Regional Airport Authority Board resolve to adopt the enclosed Amended Ordinance to implement the Schedule of Airline Rates, Fees and Charges for the Asheville Regional Airport for FY2022/2023.

Enclosure

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AMENDED ORDINANCE NO. 201601-8

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

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

Section 1. CITATION.

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

Section 2: FINDINGS.

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

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

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

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

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

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

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

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

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

Section 3. PURPOSE AND SCOPE

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

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

Section 4. EFFECTIVE DATE

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

Section 5. DEFINITIONS

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

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

5.3 [RESERVED]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 6. RATE MAKING METHODOLOGY

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

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

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

6.4 Terminal Building Operating Requirement.

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

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

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

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

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

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

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

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

6.5 Airfield Area Operating Requirement.

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

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

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

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

6.5.2.3 The Net Airfield Area Operating Requirement calculated in Section 6.5.2.2

is then divided by the estimated Certified Maximum Gross Landed Weight (CMGLW) of all Airlines' Revenue Aircraft Arrivals to determine the Airlines' Landing Fee rate.

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

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

6.5.4 [RESERVED]

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

6.5.6 [RESERVED]

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

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

Section 7. RENTALS, FEES AND CHARGES

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

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

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

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

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

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

7.4.3 Landing Fees –For its use of the airfield, apron and appurtenant facilities, Airline

shall pay a landing fee for each and every aircraft landed by the Airline at the Airport except as otherwise noted herein.

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

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

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

Section 8. SCHEDULE OF RATES, FEES AND CHARGES

8.1 The Authority's 2022-2023 Schedule of Rates, Fees and Charges effective July 1, 2022 is attached hereto and incorporated herein by reference as Exhibit A.

Section 9. PAYMENT OF RENTALS, FEES AND CHARGES

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

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

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

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

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

9.6 Security Deposit. If in the reasonable business discretion of the Authority, it is determined that the financial condition of Airline, at the beginning of air service at the Airport, or an incumbent Airline that has displayed an irregular payment history, then Airline may be required to submit a cash security deposit in an amount not to exceed the equivalent of six (6) months estimated rentals, fees and charges.

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

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

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

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

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

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

Section 10. PENALTIES AND ENFORCEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 11. SEVERABILITY

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

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

Section 12. AMENDMENT.

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

ADOPTED THIS the __ day of _____, 2022, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

By: _____
Matthew C. Burrell, Chair

ATTEST:

Ellen M. Heywood, Clerk to the Board

Exhibit A

Asheville Regional Airport

2022-2023 Fiscal Year

Schedule of Rates, Fees and Charges

SUMMARY TABLE**RESULTS**

(Fiscal Years Ending June 30)

	2021	2022	2023
Signatory Airline Rates & Charges:			
Terminal Building Rental Rate (per s.f.)	\$60.16	\$48.90	\$64.68
Passenger-Related Security Fee (per EP)	\$0.70	\$0.90	\$0.86
Landing Fee (per 1,000-lbs)	\$1.76	\$1.74	\$2.18
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.34	\$0.41	\$0.37
Baggage Make-Up & Claim Fee (per bag)	\$0.98	\$1.12	\$1.06
Baggage Make-Up & Claim Fee (per airline)	\$13,205	\$13,417	\$17,745
Gate Area Charge per (enplaned pax)	\$1.10	\$0.90	\$1.21
Gate Area Fee (per airline)	\$33,732	\$34,274	\$45,331
Loading Bridge Fee (per depart.)	\$9.78	\$9.80	\$9.29
Turn Fees ¹			
Per Turn Fee for Exempt Carriers (0-70 seats)	\$322.00	\$277.00	\$398.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$361.00	\$330.00	\$457.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$387.00	\$369.00	\$502.00
Average AVL CPE	\$5.12	\$6.02	\$6.12

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

Source: Airport management records

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

Table 1**AVIATION ACTIVITY**

(Fiscal Years Ending June 30)

	2021	2022	2023
<u>Enplaned Passengers:</u>			
Allegiant	420,000	300,000	440,000
American ¹	187,000	125,000	170,000
Delta	158,000	105,000	175,000
Jet Blue			4,080
Sun Country			11,500
Spirit	21,000	0	0
United	80,000	65,000	50,000
Total	866,000	595,000	850,580
<u>Estimated Checked Bags:</u>			
Allegiant	130,550	111,000	162,800
American ¹	81,812	46,250	62,900
Delta	110,652	69,300	115,500
Jet Blue			1,428
Sun Country			4,025
Spirit	6,300	0	0
United	50,805	44,200	34,000
Total	380,119	270,750	380,653
<u>Departures:</u>			
Allegiant	2,677	2,167	3,204
American ¹	3,414	2,589	3,125
Delta	2,577	1,901	2,081
Jet Blue			68
Sun Country			108
Spirit	125	0	0
United	1,429	1,704	1,100
Total	10,222	8,361	9,686
<u>Landed Weight (1,000-lb units):</u>			
Allegiant	380,317	308,227	452,425
American ¹	222,724	174,329	209,758
Delta	178,253	136,739	217,580
Jet Blue			6,446
Sun Country			15,000
Spirit	18,258	0	0
United	88,301	80,871	57,394
Total	887,853	700,166	958,603

Note: Amounts may not add due to rounding.

Source: Airport management records

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

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

(Fiscal Years Ending June 30)

	2021	2022	2023
<u>Preferential Space:</u> ¹			
Allegiant	1,331	1,526	1,396
American	2,297	2,297	2,436
Delta	2,609	2,609	2,609
Sun Country			267
Spirit	905	0	0
United	1,593	1,593	1,593
CRJ			462
Worldwide/CRJ	161	161	0
Total Preferential Space	8,896	8,186	8,763
<u>Joint Use Space:</u>			
Baggage Make-Up	3,192	3,192	3,192
Baggage Claim	4,124	4,124	4,124
Gates 1-3 Holdroom	8,517	8,517	8,517
Gates 4-7 Holdroom	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	3,421	3,421	3,421
Total Joint Use Space	26,005	26,005	26,005
Total Airline Rented	34,901	34,191	34,768
<u>Other Rentable:</u>			
Ticket Counter (unassigned)	285	285	235
Queue (unassigned)	456	540	460
Vacant Airline Preferential Space	1,210	1,836	1,389
Concession Space	13,775	13,775	13,775
FAA Tower & Related Office Space	4,374	4,374	4,374
TSA Offices & Breakroom	1,933	1,933	1,933
TSA Passenger Security Screening	4,891	4,891	4,891
TSA Offices Adjacent to Passenger Screening	396	396	396
Total	27,320	28,030	27,453
Total Rentable Space	62,221	62,221	62,221
Public and Other Areas	45,628	45,628	45,628
Total Terminal Space	107,849	107,849	107,849

Note: Amounts may not add due to rounding.

¹ Includes ticket counter, queue, and office space.

Source: Airport management records

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

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

(Fiscal Years Ending June 30)

		2021	2022	2023
<u>Depreciation:</u> ¹				
Gross Depreciation		\$4,700,000	\$4,700,000	\$5,400,000
Less: Grant & PFC Amortization		(3,200,000)	(3,200,000)	(3,800,000)
Net Depreciation	[A]	\$1,500,000	\$1,500,000	\$1,600,000
<u>By Cost Center (%):</u>				
Airfield Area	[B]	14.0%	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%	16.0%
Other Area	[F]	7.0%	7.0%	7.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$210,000	\$210,000	\$224,000
Terminal Building	[A*C]	450,000	450,000	480,000
Parking, Roadway, and Ground Trans.	[A*D]	495,000	495,000	528,000
General Aviation Area	[A*E]	240,000	240,000	256,000
Other Area	[A*F]	105,000	105,000	112,000
Net Depreciation	[A]	\$1,500,000	\$1,500,000	\$1,600,000
<u>Amortization:</u>				
Gross Amortization		\$242,056	\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581	\$79,581

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

(Fiscal Years Ending June 30)

		2021	2022	2023
<u>By Cost Center (%):</u>				
Airfield Area	[H]	100.0%	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%	0.0%
Other Area	[L]	0.0%	0.0%	0.0%
Total		100.0%	100.0%	100.0%
<u>By Cost Center:</u>				
Airfield Area	[G*H]	\$79,581	\$79,581	\$79,581
Terminal Building	[G*I]	0	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0	0
General Aviation Area	[G*K]	0	0	0
Other Area	[G*L]	0	0	0
Net Amortization	[G]	\$79,581	\$79,581	\$79,581
<u>Capital Outlay:</u>				
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000
<u>By Cost Center (%):</u>				
Airfield Area	[N]	50.0%	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%	50.0%
<u>By Cost Center:</u>				
Airfield Area	[M*N]	\$50,000	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 4**OPERATION AND MAINTENANCE EXPENSES**

(Fiscal Years Ending June 30)

		2021	2022	2023
<u>By Category:</u>				
Personnel Services		\$7,863,075	\$6,915,740	\$8,946,137
Professional Services		489,670	\$280,450	\$486,400
Utilities		545,117	\$479,567	\$489,267
Promotional Activities		353,025	\$237,325	\$329,075
Maintenance and Repairs		322,200	\$243,800	\$280,700
Contracted Services		1,838,377	\$870,295	\$1,949,830
Insurance Expense		330,725	\$334,400	\$334,400
Materials and Supplies		495,253	\$378,450	\$491,500
Other Expenses		574,848	\$349,010	\$466,570
Total O&M Expenses	[A]	<u>\$12,812,290</u>	<u>\$10,089,037</u>	<u>\$13,773,879</u>
<u>By Cost Center (%):</u>				
Airfield Area	[B]	25.6%	26.4%	25.8%
Terminal Building	[C]	46.0%	48.1%	45.9%
Parking, Roadway, and Ground Trans.	[D]	15.0%	11.5%	14.9%
General Aviation Area	[E]	9.5%	9.9%	9.6%
Other Area	[F]	3.8%	4.1%	3.9%
Total		<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
<u>By Cost Center:</u>				
Airfield Area	[A*B]	\$3,284,722	\$2,665,092	\$3,547,914
Terminal Building	[A*C]	5,888,847	4,854,633	6,316,122
Parking, Roadway, and Ground Trans.	[A*D]	1,927,664	1,160,524	2,048,797
General Aviation Area	[A*E]	1,221,329	995,484	1,325,899
Other Area	[A*F]	489,728	413,304	535,147
Total O&M Expenses	[A]	<u>\$12,812,290</u>	<u>\$10,089,037</u>	<u>\$13,773,879</u>

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 5**LANDING FEE AND REVENUE**

(Fiscal Years Ending June 30)

		2021	2022	2023
<u>Airfield Requirement:</u>				
O&M Expenses		\$3,284,722	\$2,665,092	\$3,547,914
Less: Deicing Chemicals		(74,305)	(76,535)	(40,000)
O&M Reserve Requirement		300,190	(278,773)	441,411
Net Depreciation		210,000	210,000	224,000
Net Amortization		79,581	79,581	79,581
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$3,850,187	\$2,649,366	\$4,302,906
<u>Landing Fee Credits:</u>				
Non-Airline Revenue	[B]	\$70,000	\$102,307	\$115,000
Other	[C]	0	0	0
Total Credits	[D=B+C]	\$70,000	\$102,307	\$115,000
Net Landing Fee Requirement	[E=A-D]	\$3,780,187	\$2,547,059	\$4,187,906
Airline Landed Weight	[F]	887,853	700,166	958,603
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$4.26	\$3.64	\$4.37
Revenue Share Credit	[H]	\$2,221,753	\$1,327,560	\$2,094,340
Adjusted Airline Net Requirement	[I=E-H]	\$1,558,434	\$1,219,499	\$2,093,566
Airline Landing Fee	[J=I/F]	\$1.76	\$1.74	\$2.18
Airline Landing Fee Revenue	[K=F*J]	\$1,558,434	\$1,219,499	\$2,093,566

Source: Airport management records

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

Table 6**TERMINAL RENTAL RATE AND REVENUE**

(Fiscal Years Ending June 30)

		2021	2022	2023
<u>Terminal Requirement:</u>				
O&M Expenses		\$5,888,847	\$4,854,633	\$6,316,122
O&M Reserve Requirement		502,586	(462,618)	730,744
Net Depreciation		450,000	450,000	480,000
Net Amortization		0	0	0
Capital Outlay		50,000	50,000	50,000
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$6,891,433	\$4,892,015	\$7,576,866
<u>Terminal Credits:</u>				
Passenger-Related Security Charges		\$603,922	\$533,724	\$731,739
AirIT Landside Expenses		16,463	16,463	16,463
Loading Bridge Fees		100,000	81,955	90,000
Total Terminal Credits	[B]	\$720,385	\$632,142	\$838,202
Net Requirement	[C=A-B]	\$6,171,048	\$4,259,873	\$6,738,664
Rentable Space (s.f.)	[D]	62,221	62,221	62,221
Terminal Rental Rate	[E=C/D]	\$99.18	\$68.46	\$108.30
Airline Rented Space (s.f.)	[F]	34,901	34,191	34,768
Airline Requirement	[G=E*F]	\$3,461,464	\$2,340,839	\$3,765,447
Revenue Share Credit	[H]	\$1,361,719	\$668,771	\$1,516,591
Adjusted Airline Requirement	[I=G-H]	\$2,099,745	\$1,672,068	\$2,248,856
Airline Rented Space (s.f.)	[F]	34,901	34,191	34,768
Adjusted Airline Terminal Rate	[J=I/F]	\$60.16	\$48.90	\$64.68
Airline Terminal Rentals	[K=F*J]	\$2,099,745	\$1,672,068	\$2,248,856

Source: Airport management records

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

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

(Fiscal Years Ending June 30)

		2021	2022	2023
<u>Loading Bridge Requirement:</u>				
Operating Expenses		\$100,000	\$81,955	\$90,000
Capital Outlay		0	0	0
Debt Service		0	0	0
Debt Service Coverage (25%)		0	0	0
Total Requirement	[A]	\$100,000	\$81,955	\$90,000
Total Departures	[B]	10,222	8,361	9,686
Loading Bridge Fee (per Departure)	[C=A/B]	\$9.78	\$9.80	\$9.29
Total Loading Bridge Revenue	[D=B*C]	\$100,000	\$81,955	\$90,000

Source: Airport management records

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

Table 6B**JOINT USE CHARGES**

(Fiscal Years Ending June 30)

		2021	2022	2023
Adjusted Signatory Airline Terminal Rate	[A]	\$60.16	\$48.90	\$64.68
<u>Joint Use Space (s.f.):</u>				
Baggage Make-Up	[B1]	3,192	3,192	3,192
Baggage Claim	[B2]	4,124	4,124	4,124
Gates 1-3 Holdroom	[C1]	8,517	8,517	8,517
Gates 4-7 Holdroom	[C2]	6,751	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	[C23]	3,421	3,421	3,421
Joint Use Space		26,005	26,005	26,005
Baggage Make-Up & Claim Requirement	[D=A*(B1+B2)]	\$440,152	\$357,780	\$473,212
Gate Areas Requirement	[E=A*(C1+C2+C3)]	1,124,384	913,962	1,208,838
Total Joint Use Requirement	[G=D+E+F]	\$1,564,536	\$1,271,742	\$1,682,050
<u>Baggage Make-Up & Claim:</u>				
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]	\$374,129	\$304,113	\$402,230
Checked Bags	[I]	380,119	270,750	380,653
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$0.98	\$1.12	\$1.06
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$66,023	\$53,667	\$70,982
Number of Airlines	[L]	5	4	4
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$13,205	\$13,417	\$17,745
<u>Gate Area:</u>				
Gate Area Requirement (85%)	[N=E*85%]	\$955,726	\$776,868	\$1,027,512
Enplaned Passengers	[O]	866,000	866,000	850,580
Gate Area Charge per (enplaned pax)	[P=N/O]	\$1.10	\$0.90	\$1.21
Gate Area Requirement (15%)	[Q=E*15%]	\$168,658	\$137,094	\$181,326
Number of Airlines	[L]	5	4	4
Gate Area Fee (per airline)	[R=Q/L]	\$33,732	\$34,274	\$45,331
Total Joint Use Revenue	[G]	\$1,564,536	\$1,271,742	\$1,682,050

Source: Airport management records

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

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

(Fiscal Years Ending June 30)

		2021	2022	2023
Adjusted Signatory Airline Terminal Rate	[A]	\$60.16	\$48.90	\$64.68
<u>Ticket Counter and Queue Space (s.f.):</u>				
Ticket Counter		1,731	1,731	1,731
Queue Space		2,865	2,865	2,865
Ticket Counter and Queue Space	[B]	4,596	4,596	4,596
Ticket Counter and Queue Space Requirement	[C=A*B]	\$276,509	\$224,762	\$297,277
AirIT Landside Expenses	[D]	16,463	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$292,972	\$241,225	\$313,740
Enplaned Passengers	[F]	866,000	595,000	850,580
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.34	\$0.41	\$0.37
Enplaned Passenger Use	[H]	0	0	0
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$0	\$0	\$0

Note: Amounts may not add due to rounding.

Source: Airport management records

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

Table 7**PASSENGER-RELATED SECURITY CHARGE**

(Fiscal Years Ending June 30)

		2021	2022	2023
Personnel-Related Security Cost	[A]	\$1,700,149	\$1,639,833	\$1,882,397
<u>Officer Deployment Hours:</u>				
Total Hours (18 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,174	2,174	2,174
Holiday (11 Holidays)		(198)	(198)	(198)
Vacation (12 Days)		(216)	(216)	(216)
Training (8 hrs per month per officer)		(144)	(144)	(144)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(162)	(162)	(162)
Available Hours/Officer	[B]	1,454	1,454	1,454
Number of Officers	[C]	20	20	20
Total Available Hours	[D=B*C]	29,072	29,072	29,072
Less: Admin Hours Total	[E]	(2,880)	(2,880)	(2,880)
Total Officer Deployment Hours	[F=D-E]	26,192	26,192	26,192
Personnel-Related Security Cost per Hour	[G=A/F]	\$64.91	\$62.61	\$71.87
<u>Passenger-Related Security Charge:</u>				
Terminal Airlines (18 hrs/day Security Checkpoint)		\$426,465	\$411,336	\$472,180
Contract Security - Exit Lane				\$60,000
Less: TSA Reimbursement		(116,800)	(116,800)	(116,800)
Net Personnel-Related Costs	[H]	\$309,665	\$294,536	\$415,380
TSA Passenger Security Screening Space (s.f.)	[I]	4,891	4,891	4,891
Terminal Rental Rate	[J]	\$60.16	\$48.90	\$64.68
Security Checkpoint Space Costs	[K=I*J]	\$294,257	\$239,188	\$316,359
Passenger-Related Security Charges	[L=H+K]	\$603,922	\$533,724	\$731,739
Enplaned Passengers	[M]	866,000	595,000	850,580
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.70	\$0.90	\$0.86
Passenger-Related Security Charges	[O=M*N]	\$603,922	\$533,724	\$731,739

Source: Airport management records

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

Table 8**COST PER ENPLANED PASSENGER**

(Fiscal Years Ending June 30)

		2021	2022	2023
<u>Airline Revenue:</u>				
Terminal Rentals		\$2,099,745	\$1,672,068	\$2,248,856
Loading Bridge Fees		100,000	81,955	90,000
Landing Fees		1,558,434	1,219,499	2,093,566
Unassigned Ticket Counter Charges		0	0	0
Passenger Related Security Charges		603,922	533,724	731,739
Deicing Chemicals		74,305	76,535	40,000
Total	[A]	\$4,436,406	\$3,583,780	\$5,204,161
Enplaned Passengers	[B]	866,000	595,000	850,580
Cost Per Enplaned Passenger	[C=A/B]	\$5.12	\$6.02	\$6.12

Note: Amounts may not add due to rounding.

Source: Airport management records

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

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

(Fiscal Years Ending June 30)

		2021	2022	2023
<u>Per Turn Requirement:</u>				
Joint Use Cost ¹		\$1,564,536	\$1,271,742	\$1,682,050
Loading Bridge Cost		100,000	81,955	90,000
Unassigned Ticket Counter Cost		292,972	241,225	313,740
Passenger Related Security Charge Cost		603,922	533,724	731,739
Deicing Chemicals Cost		74,305	76,535	40,000
Total	[A]	\$2,635,735	\$2,205,179	\$2,857,529
Total Departures	[B]	10,222	8,361	9,686
Average Per Turn Cost	[C=A/B]	\$257.85	\$263.75	\$295.02
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*135%]	\$322.00	\$277.00	\$398.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*155%]	\$361.00	\$330.00	\$457.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*170%]	\$387.00	\$369.00	\$502.00

Note: Amounts may not add due to rounding.

¹ Includes the cost of baggage areas and gate areas.

Source: Airport management records

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



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 8, 2022

ITEM DESCRIPTION – Old Business Item B

Public Hearing and Final Adoption of the Authority's Fiscal Year 2022/2023 Budget

BACKGROUND

A proposed preliminary Fiscal Year 2022/2023 Budget was presented to, and approved by, the Authority Board at the Board meeting held on March 11, 2022. The budget documents have remained available for public inspection and comment since March 11, 2022, with no comments being received to date.

ISSUES

A Public Hearing is required under Chapter 159 of the General Statutes of North Carolina before final adoption of the 2022/2023 Budget Ordinance.

ALTERNATIVES

None recommended.

FISCAL IMPACT

As outlined in the 2022/2023 Budget Ordinance.



RECOMMENDED ACTION

It is respectfully requested that following the Public Hearing on the Fiscal Year 2022/2023 Budget that the Greater Asheville Regional Airport Authority Board resolve to adopt the enclosed Fiscal Year 2022/2023 Budget Ordinance.

Enclosure

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
2022-2023
BUDGET ORDINANCE**

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that, pursuant to Section 159-13 of the General Statutes of North Carolina, the 2022-2023 Budget Ordinance of the Airport Authority is hereby set forth as follows:

Section 1. The following amounts are hereby appropriated for the operation of the Greater Asheville Regional Airport Authority for the fiscal year beginning July 1, 2022 and ending June 30, 2023 in accordance with the following schedules:

EXPENDITURES

Administration Department	\$ 1,090,713
Planning Department	494,471
Executive Department	1,066,793
Finance Department	551,286
Guest Services Department	284,036
Information Technology Department	1,562,991
Marketing Department	848,335
Operations Department	5,239,458
Properties & Contracts	231,169
Public Safety Department	2,521,427
Emergency Repair Costs	50,000
Carry-over Capital Expenditures from Prior Year	15,989,000
Capital Improvement	263,050,000
Equipment and Small Capital Outlay	9,000
Renewal and Replacement	639,664
Business Development	300,000
Debt Service	1,687,189
Contingency	100,000
Total Expenditures	<u><u>\$295,715,532</u></u>

Section 2. It is estimated that the following revenues will be available for the fiscal year beginning July 1, 2022 and ending June 30, 2023.

REVENUES

Administration (Interest Income)	\$ 25,000
Terminal	8,797,453
Airfield	2,256,555
General Aviation	1,146,216
Parking Lot	7,710,000
Other	395,307
Passenger Facility Charges	3,000,000
Customer Facility Charges	2,000,000
Federal Grants (including CARES/ARPA)	16,422,333
NC Department of Transportation Grants	4,800,000
Transfer from GARAA Cash/Investments	249,162,667
Total Revenues	\$295,715,532

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

- a. He may transfer amounts between line item expenditures within a budget ordinance line item without limitation and without a report being required. These changes should not result in increased recurring obligations such as salaries.
- b. He may transfer amounts up to \$60,000 from contingency appropriations to other budget ordinance line items within the same fund. He must make an official report on such transfers at the next regular meeting of the board.

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

Section 5. This ordinance shall become effective on July 1, 2022.

Adopted this ____ day of April, 2022

Matthew C. Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

FROM: Jared Merrill
Planning Manager

DATE: April 8, 2022

ITEM DESCRIPTION – New Business Item A

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

BACKGROUND

The Authority entered into an Agreement for Professional Consulting Services with GS&P N.C. an Affiliate of Gresham Smith and Partners (Gresham Smith) on August 14, 2018. The Authority Board approved Task Order No. 2 Part A in the amount of \$3,969,904.50 in August of 2019. This scope included conceptual and Schematic design and engineering services for the Terminal Building Modernization and Expansion Project. Subsequently, the Board approved Task Order No. 2 Part B in the amount of \$8,638,889.50 in December 2020. This scope included the completion of Design Development and Construction Documents.

Task Order No. 2 Part C will cover the Contract Construction Administration and additional services for the project. This work includes the necessary administration of construction meetings, submittal review, requests for information, record documents, supplemental instructions, design team site inspections etc. throughout the course of construction of the terminal project, as well as additional design services that were necessary to convert the project to a Component Guaranteed Maximum Price model as previously presented to the Board. Resident Project Representative Services are not included, as those will be provided separately by the firm hired to provide Program Management Services to the Authority for the project.

New Business – Item A



ISSUES

None.

ALTERNATIVES

None. This work is required to complete this project.

FISCAL IMPACT

The total cost for Task Order No. 2 Part C services is not to exceed \$7,232,602.00 which would only be billed for pro-rata work performed monthly. When added to the existing approved contract costs of \$12,608,794.00, the total contract value shall be not to exceed \$19,841,396.00, which is 8.33 percent of the overall estimated construction cost of the project. The cost for Part C services will be paid for with Airport Funds but is expected to be eligible to use federal Bipartisan Infrastructure Law (BIL) funds if received from the FAA.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve Task Order No. 2 Part C with Gresham Smith in an amount not to exceed \$7,232,602.00 conditional upon IFE and FAA review and approval; (2) authorize the Executive Director to execute the necessary documents; and (3) to amend the FY2021/2022 budget by adopting the following budget ordinance amendment:

BE IT ORDAINED by the Greater Asheville Regional Airport Authority that the following amendment be made to the annual budget ordinance for the fiscal year ending June 30, 2022:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Capital Improvements	_____	<u>\$7,232,602.00</u>
Totals	_____	<u>\$7,232,602.00</u>



This will result in a net increase of \$7,232,602.00 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	_____ <u>\$7,232,602.00</u>
Totals	_____	_____ <u>\$7,232,602.00</u>

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

Adopted this 8th day of April 2022.

Matthew C. Burrell, Chair

Attested by:

Ellen Heywood, Clerk to the Board



**Gresham
Smith**

GS-NC P.C.
An Affiliate of Gresham Smith

March 29, 2022

Mike Reisman, AAE
Greater Asheville Regional Airport Authority

Subject: Contract Construction Administration Fee Proposal
AVL Terminal Modernization and Expansion
Asheville Regional Airport
Gresham Smith Project No. 43483.02

Dear Mr. Reisman:

Please see below for our fee proposal for the Contract Construction Administration effort for Work Package 1 (WP1) through Work Package 5 (WP5).

Gresham Smith and its consultants will provide the following professional services for Contract Construction Administration:

- Overall Project Management
- Architecture
- Interior Design
- Structural
- Mechanical
- Plumbing
- Electrical
- Special Systems
- Code Consulting
- Airside Civil
- Landside Civil
- Baggage Handling
- Blast Engineering
- Envelope and Waterproofing Consulting

This fee proposal has been developed in coordination with the Scope of Work document (*attachment 1*) for all professional services detailed in the document.

Genuine Ingenuity

201 S. College Street
Suite 1950
Charlotte, NC 28244
704.944.7970

GreshamSmith.com



Mike Reisman
February 16, 2022

Compensation

We propose to be compensated for services described herein by a lump sum fee as indicated below. We anticipate reimbursable expenses for travel, printing, shipping, and related expenses because of this project's scope. If additional reimbursable expenses become necessary, we will notify you in advance and request that an addendum be issued to cover the additional expenses. Detailed back-up for professional services, travel and reimbursable expenses are attached to this document (attachment 2).

Professional Services Lump Sum \$6,205,885

Reimbursable (travel, shipping, printing, other) \$541,717

TOTAL FEE \$6,747,602

We appreciate the opportunity to provide our proposal and look forward to completing this project. If you have any questions or wish to discuss this further, please do not hesitate to contact me.

Sincerely,

Brad Sucher
Project Manager

SUCHER

Attachment 1 - Scope of Service
Attachment 2 - Fee Breakdown Cover Sheet
Attachment 3 - Spreadsheet Hours Breakdown
Attachment 4 - Spreadsheet Travel Plan

Copy David King - Gresham Smith
 Jared Merrill - GARAA
 Rita Yanz - GARAA



**Gresham
Smith**

GS-NC P.C.
An Affiliate of Gresham Smith

January 14, 2022

Jared Merrill
Greater Asheville Regional Airport Authority

Subject: Additional Service Request
AVL Terminal Modernization and Expansion
Asheville Regional Airport
Gresham Smith Project No. 43483.02

Dear Jared:

This is a follow up to the Gresham Smith letter issued on 8/17/21, subject: *Fee Structure Breakdown for Construction Contract Administration* and is attached for reference. As per your request, we are listing all of the additional services we believe that have occurred. Any addition to the initial list represented in the 8/17/21 letter has been identified in red text below.

Additional Services are as follows:

1. Change to CGMP approach
2. Airline tenant space detailed design
3. Landscape design
4. Fixed Furnishings design package
5. Storm Water solution
6. North to South phasing change
7. Temporary Life Safety
8. Value Engineering
9. Baggage Claim Hall and Second Floor Administration

We would like to break down each of these and the reasoning for why we feel like each are justified.

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Suite 1950
Charlotte, NC 28244
704.944.7970

GreshamSmith.com



Item #1

The change to CGMP was discussed at length in various CMR meetings along with Core group meetings. It was discussed how the modification to the drawing packages would impact the design team. We notified you on 6/16/21 via letter, subject: *Procurement Schedule Decision* that the change to CGMP would require time and fee adjustment and we can discuss later. In the best interest of the project, we took this at-risk to continue to move everything along. Breaking out the drawing packages and getting them coordinated between disciplines and the contractor took 6 weeks of time for the design team. It should be noted, it was not 100% of the effort during that time and our request reflects as-such.

Item #2

As noted in exhibit A, Scope of Service of the executed Gresham Smith Master Agreement, included the following list of excluded services:

WORK NOT INCLUDED IN THE SCOPE OF SERVICES

The following items are excluded from this agreement and shall be provided by GARAA or provided by Gresham Smith as an additional service only as authorized by GARAA.

- Construction administration services due to project delivery not defined at this point
- Any RPR services required by construction administration
- Any threat analysis beyond a defined blast analysis as performed by Thornton Tomasetti
- Special Inspector or special inspections
- LEED, green globes or any other environmental design services or certifications
- Fire suppression testing
- Flow testing
- Value engineering
- Life cycle cost analysis
- BHS system optimization beyond PGDS V6.0 (TSA planning guideline and design standards for checked baggage inspection systems) including return on investment (ROI) analysis
- Detailed design of airline spaces. These shall be provided at a shell level for airline input
- Concession design beyond a white box (shell space)
- Concessionaire analysis, return on investment (ROI) or consulting
- Other items not listed in detail above this section
- Wayfinding Master Plan
- Building/system commissioning
- Garage wayfinding
- TSA impact due to PGDS deliverables is unknown at this time and effort is not accounted for
- Environmental regulatory approvals

We understand the airports position that felt this should be included as part of the initial design service. We are willing to remove this from the list, however, please note, we will request an additional service at a later date, if the airlines come back with modifications that require a re-design effort post the 100% construction document deliverable and after the issuance of the first addendum for GMP purposes.



Item #3

Similar to item #2, we believe we did not include this in the initial design effort. We do not believe there to be any landscape design at this time. If there this, it would be very minimal and can be handled by a sub-contractor. We are not asking for any fee as part of this. Just making you aware of the intent to possibly include minimal landscape design with a sub-contractor per our previous conversations.

Item #4

Similar to item #2, we believe we did not include this in the initial design effort. However, we are going to remove this from the list since AVL is planning to procure furniture outside of the GMP by the contractor. The design team will provide design concepts and coordination of the public seating elements only. It is assumed any furniture in the administration area is to be completed and coordinated by a furniture vendor.

Item #5

From the various conversations on this topic, this design service was clearly an additional service as it was never anticipated at the beginning of design. This includes the time to design various solutions, coordinate with the Airport, coordination with Parrish and Partners and lastly, permitting coordination with NCDEQ.

Item #6

When Hensel Phelps proposed the North to South phasing concept, we verbalized that there is additional design effort needed. The most recent conversation being between myself and yourself right after Hensel Phelps was informed to change the phasing direction. The need for additional services comes from the current understanding that a temporary SSCP is required, along with various structural modifications to support the temporary floor and additional vertical conveyance. The bulk of this effort is tied to the temporary SSCP, which, as you are aware, we are trying to remove from the current contractor cost estimate. If the temporary SSCP is removed, this additional service is no longer required as we will absorb the other design efforts into the current design fee.

Item #7

It is the belief of Gresham Smith that temporary life safety is the responsibility of the contractor as identified in article 4.2.2 of the A201 CMR Agreement.

§ 4.2.2 The Architect will visit the site at intervals appropriate to the stage of construction, or as otherwise agreed with the Owner, to become generally familiar with the progress and quality of the portion of the Work completed, and to determine in general if the Work observed is being performed in a manner indicating that the Work, when fully completed, will be in accordance with the Contract Documents. However, the Architect will not be required to make exhaustive or continuous on-site inspections to check the quality or quantity of the Work. The Architect will not have control over, charge of, or responsibility for the construction means, methods, techniques, sequences or procedures, or for the safety precautions and programs in connection with the Work, since these are solely the Contractor's rights and responsibilities under the Contract Documents.

It is understood that the position of the airport is this should be held by the Architect. A forthcoming letter to be agreed by all parties, will describe the agreed upon responsibilities of the Architect. As an overview, here are the bullet points:

- Gresham Smith to provide performance criteria for temporary egress strategies



- Gresham Smith to provide occupant load calculations for phased areas as determined by the contractor
- No signed and sealed drawings will be produced by Gresham Smith
- Contractor to determine phasing and define areas of work

As long as the terms of forthcoming letter are mutually agreed upon, there is no additional service required.

Item #8

As noted in the list of exclusions of the master agreement is Value Engineering. It must be noted that this agreement was executed prior to any sort of pandemic starting and understanding what inflation was going to do to the construction market sector. Both of these items were completely unforeseen. The design team spent 19 working days on such an effort working to evaluate cost and various scoping solutions to best utilize available funding. Our most important goal is to be your trusted advisor and we believe that this effort goes to fulfilling such a role. We do not believe we need to ask for an additional service for this service as we are committed to making this the best project possible and willing to assist where required.

Item #9

Per direction given in the 1/12/22 core group meeting, the design team is to proceed with designing the baggage claim hall and second floor administration space. Please note, this is contrary to the direction given as part of the 12/14/21 trend log meeting to proceed with scenario 5, removing the baggage claim hall and second floor administration space. We notified you on 1/14/21 via letter, subject: *Baggage Claim and Second Floor Scope* that the change to CGMP would require time and fee adjustment and we can discuss later

Below you will find the design team's opinion on the value of the additional services. Please note, we believe these to be a fair and honest representation of the effort that went into each of these services. We also recognize the importance of maintaining schedules which ultimately translates into more increased Contractor costs at the end of the day and why we have tried to maintain the project schedule as best we can and not slip day for day. We are happy to answer any additional questions on how these services resulted in each of the values presented.

Additional Service Request by item

- Item #1 = \$315,000 to be distributed between the following consultants (Gresham Smith, AME, Arora, JSM and Delta Airport Consultants)
- Item #2 = \$0 as agreed to the description above
- Item #3 = \$0 as agreed to the description above
- Item #4 = \$0 as agreed to the description above
- Item #5 = \$35,000 to be distributed to Gresham Smith Landside Civil
- Item #6 = To Be Determined pending temporary SSCP decision
- Item #7 = To Be Determined pending acceptance of letter
- Item #8 = \$0 as agreed to the description above
- Item #9 = \$135,000 to be distributed between the following consultants (Gresham Smith, AME, Arora, JSM and Delta Airport Consultants)



Jared Merrill
January 14, 2022

TOTAL ADDITIONAL SERVICE REQUEST = \$485,000

Sincerely,

Brad Sucher
Project Manager

SUCHER

Copy Mike Reisman - GARAA
 Rita Yanz - GARAA
 David King - Gresham Smith
 Damond Holloway - Gresham Smith



Mike Reisman
February 16, 2022

Consultant Scope of Services

Greater Asheville Regional Airport Authority

Task Order number 2 for Professional Consulting Services, as referenced in the Professional Consulting Agreement between the Greater Asheville Regional Airport Authority and GS-NC P.C., an Affiliate of Gresham Smith, dated June 24, 2019.

Project: Phase 2 Terminal Modernization

Scope of Services: As indicated on the Scope of Work document attached to this proposal. This scope applies to work package 1 through 5.

Consultant Team: Gresham Smith and its consultants will provide Overall Project Management, architecture, interior design, structural, mechanical, plumbing, electrical, airside civil, landside civil, special systems, baggage handling, blast engineering and envelope and waterproofing consulting for the Phase 2 Terminal Modernization. This is for Contract Construction Administration only.

Design Schedule: As indicated on the Scope of Work document attached to this proposal.

Project Budget: As defined by the CMR CGMP's

Fees: Lump Sum \$6,205,885 for Professional Services and \$541,717 for Reimbursable Expenses (related to travel, shipping, and additional reimbursable expenses) for a total fee amount of \$6,747,602 related to the project scope.

Authority:

Greater Asheville Regional Airport Authority

By: _____
Executive Director
Date: _____

Consultant:

Gresham Smith

By: _____
Title: _____
Date: _____

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

Finance Officer



**Gresham
Smith**

GS-NC P.C.
An Affiliate of Gresham Smith

February 16, 2022

Mike Reisman, AAE
Greater Asheville Regional Airport Authority

Subject: Contract Construction Administration Scope of Service
AVL Terminal Modernization and Expansion
Asheville Regional Airport
Gresham Smith Project No. 43483.02

Dear Mr. Reisman:

Gresham Smith is pleased to present to you this proposed scope of service for the Contract Construction Administration (CCA) covering the effort for CGMP 1 through CGMP 3 for the design team. CGMP 1 consists of the Work Package 1 contract documents. CGMP 2 consists of the Work Package 2 contract documents and CGMP 3 consists of the Work Package 3 through 5 contract documents.

BASIC CONTRACT ADMINISTRATION SCOPE OF SERVICE:

The Construction Phase will begin when the CMR CGMP 1 agreement is executed by the GARAA Board. Services will end when the Final Completion Certificate is issued as per attached schedule provided by CMR (See Attachment A). This schedule is used only for durations of activity and understood the start date would shift to when board approval occurs. The current schedule and phasing shows a temporary SSCP, it is assumed that this scope is not being executed and project closeout will commence for three months starting at the completion of phase 8 (See attachment B). A consultant may have a shorter duration, due to the level of effort as shown on the construction schedule. During this period, Consultants will provide Administration of the Construction Contract as set forth in the construction contract documents (hereafter referred to and defined as the "Contract Documents") between the Owner and the Contractor.

Deliverables shall include:

- BIM Design Model: As per the latest BIM Execution Plan
- Record Documents: All record documents to be turned over as a single set of documents after the completion of the last phase of work during project closeout. Only Work Package 1 and the Central Energy Plant will be turned over early. Drawings will be kept to up to date with the latest information during the construction period to reflect

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any changes made during Supplemental Instructions. GARAA to coordinate with contractor for construction as-built.

PROJECT MANAGEMENT/ARCHITECTURAL/INTERIOR DESIGN/WAYFINDING SCOPE OF SERVICES:

Project Management and Architectural (includes Interior Design) scope of services will be as indicated below. Gresham Smith (GS) shall preform these tasks as outlined below:

- Construction Meetings with CMR & Subcontractor: Consultants will attend meetings once per month- 2 hrs in duration. This effort assumes the design team is on an as-needed basis for the Construction BIM meetings and not at every meeting nor the full length of the meeting.
- Construction OAC Meetings: Consultants will attend weekly OAC meetings twice a month in person and twice a month via phone conference for the duration of the project architecturally. Interior design and wayfinding will be as needed.
- Site Visits and Observation Reports: Consultants will visit site and prepare observation reports on the weeks of in person OAC meetings.
- Submittal Log-in & Distribution: GS will be managing all submittal log-ins and distributions to Design Team as detailed by the BIM Execution plan.
- Submittal Reviews: Consultants will review product data and shop drawings submittals. The submittal schedule provided by the CMR will be reviewed by Design Team. Approved submittal schedule shall allow reasonable time for Design Team to review and respond to submittals. Proposal includes 2 rounds of review per submittal: The original submittal and a resubmittal review. Any additional review shall be considered an add service.
- Request for Information (RFI) Responses: Consultants will review RFI's and respond within the allowed contract time.
- Supplemental Instructions: Consultants will provide supplemental instructions to CMR team in drawing and/or specification format.
- Change Order (CO) Reviews: Consultants will review change orders submitted by the CMR team and inform the owner of the findings. Fee proposal accounts for an allowance of 4hrs per month for the duration of construction.
- Application for Payment Reviews: Consultants will review the monthly pay applications submitted by the CMR and provide any comments back to the owner for 2hrs in duration per month for the duration of construction.
- Final Completion Site Visits: Consultant's will walk the construction site at final completion of the construction to verify contractor punch list items have been completed. Total of 8 visits, 1 per phase, are accounted for in the fee proposal. This is for Architecture, interior design and wayfinding.
- The following pre-installation meetings are accounted for: Concrete panel erection, unit masonry, steel fabrication, handrails, all metal panel, all waterproofing/air barrier, roofing and associated metals, glazing, all division 9 meetings, lighting and all division 23 equipment meetings.
- Coordination of base building infrastructure and finishes with the final build out plans from the concessionaires.

LANDSIDE CIVIL SCOPE OF SERVICES:

These services are based on the attached anticipated construction schedule- (Attachment A). Gresham Smith (GS) shall preform these tasks as outlined below



- Construction Meetings with CMR & Subcontractor: Subconsultant will attend and participate as needed in meetings with the CMR and Subcontractors for the duration of construction that includes civil site components. The intent of these meetings will be to discuss construction issues that pertain to the landside civil scope of work.
- Construction OAC Meetings: Team will attend virtually and participate as needed in OAC meetings. The intent of these meetings will be to give an update on the status of any outstanding submittals or RFI's assigned and to answer any questions regarding the landside civil scope of work.
- Submittal Reviews: Team will review product data and shop drawing submittals pertaining to the landside civil scope of work. Team will review these items for general compliance with the contract documents.
- Request for Information (RFI) Responses: Team will respond to RFI's pertaining to the landside civil scope of work.
- Application for Payment Reviews: Review landside civil related items for monthly pay app
- Coordinate and issue supplemental drawing information as need by the CMR.
- Punch Lists: Team will walk the construction site at substantial completion of the construction and review punch lists. Total of 2 visits are accounted for in the fee proposal.
- Travel to project site for maximum of 20 site visits with the understanding of multiple items will be scheduled to help maximum the sub-consultants time for meetings, inspections, and punch list
- Provide project closeout documents and record documents at conclusion of construction

STRUCTURAL SCOPE OF SERVICES:

These services are based on the attached anticipated construction schedule- (Attachment A). Gresham Smith (GS) shall preform these tasks as outlined below:

- Construction Meetings with CMR & Subcontractor: Subconsultant will attend and participate as needed in meetings with the CMR and Subcontractors for the duration of construction that includes structural components. The intent of these meetings will be to discuss construction issues that pertain to the structural scope of work.
- Construction OAC Meetings: Team will attend virtually and participate in OAC meetings as needed. The intent of these meetings will be to give an update on the status of any outstanding submittals or RFI's assigned and to answer any questions regarding the structural scope of work.
- Submittal Reviews: Team will review product data and shop drawing submittals pertaining to the structural scope of work. Team will review these items for general compliance with the contract documents.
- Request for Information (RFI) Responses: Team will respond to RFI's pertaining to the structural scope of work.
- Application for Payment Reviews: Review structural related items for monthly pay app
- Punch Lists: Team will walk the construction site at substantial completion of the construction and prepare punch lists. Total of 2 visits are accounted for in the fee proposal.
- Coordinate and issue supplemental drawing information as need by the CMR.
- Provide project closeout documents and record documents at conclusion of construction
- Travel to project site for maximum of 55 site visits with the understanding of multiple items will be scheduled to help maximum the sub-consultants time for meetings, inspections, and punch list

SPECIAL SYSTEMS + FIRE PROTECTION + CODE CONSULTING SCOPE OF SERVICES:



These services are based on the attached anticipated construction schedule- (Attachment A). Arora Engineers (AE) shall preform these tasks as outlined below:

- Review and respond to submittals, RFIs and other project correspondence
- Coordination with the Master Service Integrator and weekly virtual meetings with the Construction Team
- Construction Meetings with CMR & Subcontractor: AE will attend and participate as needed in meetings with the CMR and Subcontractors for the duration of construction that includes Special Systems +Fire Protection components
- Travel to project site for maximum of 16 site visits with the understanding of multiple items will be scheduled to help maximum the sub-consultants time for meetings, inspections, and punch list
- Prepare site visit report, meeting minutes punch lists reports as required
- Coordinate and issue supplemental drawing information as need by the CMR.
- Code consulting: subconsultant will review and consult on necessary code related items or correspond with the Authority Having Jurisdiction as required.
- Attend weekly design meetings virtually for the duration of the construction effort.
- Application for Payment Reviews: Review special systems and fire protection related items for monthly pay app
- Provide project closeout documents and record documents at conclusion of construction
- Punch Lists: AE will walk the construction site at substantial completion of each major phase of construction and review punch lists. Total of 8 major phases for 2 engineers are accounted for in the fee proposal.

AIRSIDE CIVIL SCOPE OF SERVICES:

These services are based on the attached anticipated construction schedule- (Attachment A). Delta Airport Consultants (DAC) shall preform these tasks as outlined below:

- Review and respond to submittals, RFIs and other project correspondence
- Attend a pre-construction meeting as needed for FAA work
- Travel to project site once per month to review construction progress and prepare then submit field reports for the duration of the airside civil work. Maximum of 24 visits are included with this proposal.
- Provide final inspection of the project site with associated punch list for the CMR.
- Coordinate and issue supplemental drawing information as need by the CMR.
- Application for Payment Reviews: Review airside related items for monthly pay app
- Provide project closeout documents and record documents at conclusion of construction
- Attend weekly design meetings virtually for the duration of the airside civil construction effort.
- Submittal Reviews: Team will review product data and shop drawing submittals pertaining to the structural scope of work. Team will review these items for general compliance with the contract documents.

MECHANICAL/ELECTRICAL/PLUMBING SCOPE OF SERVICES:

These services are based on the attached anticipated construction schedule- (Attachment A). AME (AME) shall preform these tasks as outlined below:

- Review and respond to submittals, RFIs and other project correspondence
- Construction Meetings with CMR & Subcontractor: AME will attend and participate as needed in meetings with the CMR and Subcontractors for the duration of construction that includes MEP components



- Travel to project site as needed to review construction progress, prepare then submit field reports
- Prepare site visit report, meeting minutes punch lists reports as required
- Coordinate and issue supplemental drawing information as need by the CMR.
- Attend weekly design meetings virtually for the duration of the construction effort.
- Provide project closeout documents and record documents at conclusion of construction
- Application for Payment Reviews: Review MEP related items for monthly pay app
- Coordinate and issue supplemental drawing information as need by the CMR.
- Punch Lists: AME will walk the construction site at substantial completion of each major phase of construction and review punch lists. Total of 8 major phases for 3 engineers are accounted for in the fee proposal.

ENVELOPE AND WATERPROOFING SCOPE OF SERVICES:

These services are based on the attached anticipated construction schedule- (Attachment A). Construction Moisture Consulting (CMC) shall preform these tasks as outlined below

- Review and respond to submittals, RFIs and other project correspondence in relation to the building envelope. 80-hour allowance has been included as part of this proposal.
- Conduct a maximum of 12 site visits periodically throughout construction to review roofing, waterproofing and building envelope cladding systems and components intended to provide moisture penetration resistance and weatherproofing integrity.

BLAST ENGINEERING SCOPE OF SERVICES:

These services are based on the attached anticipated construction schedule- (Attachment A). Thornton Tomasetti (TT) shall preform these tasks as outlined below

- Participate in pre-construction meetings related to blast design for the purpose of reviewing submittal requirements and procedures and to discuss the intent of the design.
- Review the blast design related submittals required by the Construction Documents and in conformance with Project specifications
- Review and provide responses to requests for information related to blast design scope
- Provide up to (2) site visits to observe construction during the critical phases for curtain wall, facade or roof framing installation; TT will provide a report to summarize each visit.
- Participate in up to (4) coordination meetings related to blast design of curtain wall, window systems, opaque facade, and/or roof steel joists. Meetings shall generally be via teleconference or coordinated with site visits.

BAGGAGE HANDLING SCOPE OF SERVICES:

These services are based on the attached anticipated construction schedule- (Attachment A). JSM shall preform these tasks as outlined below

- Review and respond to submittals, RFIs and other project correspondence
- Construction Meetings with CMR & Subcontractor: JSM will attend and participate in virtual meetings with the CMR and Subcontractors for the duration of construction that includes BHS components.
- Travel to project site as needed during construction to review BHS construction progress, prepare then submit field reports. Maximum of 20 visits are included with this proposal
- Prepare site visit report, meeting minutes punch lists reports as required
- Coordinate and issue supplemental drawing information as need by the CMR.



Mike Reisman
February 16, 2022

- Punch Lists: JSM will walk the construction site at substantial completion of the construction and prepare punch lists. Total of 2 visits for 2 engineers are accounted for in the fee proposal.
- Review and provide content for OTA pay app review
- Review of BHS testing for the CBIS

OVERALL EXCLUDED ITEMS:

Excluded services will be handled via additional services request/proposal submittal to the owner. Services will be performed upon receiving written approval from the owner. The following list of items are excluded from this fee proposal:

- Owner requested design changes and supplement information that are above and beyond coordinating the previously issued construction documents
- Any sort of cost estimating or pricing review. Overall opinions of cost will be provided during change order review.
- Contractor requested design changes to reduce cost, expedite construction, ease of construction, means and methods related items etc.
- Coordination of furniture outside of the public seating elements.
- Once scope is agreed too, a separate proposal will be provided for building commissioning.
- Any other service not detailed above
- Post construction walkthrough prior to expiration of contractor's warranty period

Sincerely,

Brad Sucher
Project Manager

SUCHER

Attachment A - CMR Construction Schedule
Attachment B - CMR Phasing

Copy David King - Gresham Smith
 Damond Holloway
 Jared Merrill - GARAA
 Rita Yanz - GARAA

Fee Breakdown

Overall Fee		Total	LABOR CCA	TRAVEL
Gresham Smith	Project Management	\$ 4,924,580	\$ 4,575,780	\$ 348,800
Gresham Smith	Architecture	\$ -	<i>(included above)</i>	<i>(included above)</i>
Gresham Smith	Interior Design	\$ -	<i>(included above)</i>	<i>(included above)</i>
Gresham Smith	Structural	\$ -	<i>(included above)</i>	<i>(included above)</i>
Gresham Smith	Way Finding	\$ -	<i>(included above)</i>	<i>(included above)</i>
Gresham Smith	Landside civil	\$ -	<i>(included above)</i>	<i>(included above)</i>
AME	Mechanical, Plumbing + Electrical	\$ 661,750	\$ 549,950	\$ 111,800
Delta Airport Consultants	Airside Civil	\$ 402,900	\$ 389,500	\$ 13,400
Arora Engineers	Comm/Security/Code/Fire Protection	\$ 342,876	\$ 326,376	\$ 16,500
JSM & Associates	Baggage Handling	\$ 281,014	\$ 250,374	\$ 30,640
CMC	Envelope Review	\$ 96,855	\$ 78,855	\$ 18,000
Thornton Tomasetti	Blast Mitigation	\$ 37,627	\$ 35,050	\$ 2,577

LABOR (LUMP SUM) \$ 6,205,885

TRAVEL (REIMB.) \$ 541,717

TOTAL FEE \$ 6,747,602

Hours Breakdown										
AVL Phase 2 Terminal Modernization										
Architecture + Project Management										
1/31/2022										
Task Description	VP	PIC	PM	Project Designer	Senior Architect	Architect	Project Coordinator	PM Assistant	Admin Assistant	Total
1 Task 6 - Contractor Construction Administration										
2 Document Control and Contract Administration Procedures		20	50	0	40	200	400	100	1500	2310
3 Consultant Coordination and Correspondence		40	125	80	250	300	400		200	1795
4 Overall Project Management		100	500	0	80	80	80	200		1040
5 Contractor Clash Detection Meetings			20	0	50	150	200			420
6 Answer Subcontractor RFI's			40	120	400	500	750			1810
7 Sub Contractor GMP Coordination			50	80	400	400	400			1330
8 OAC Meetings		80	250	40	350	450	600			1770
9 Site Visit report and documentation			200	40	200	200	200			840
10 Submittal Log and distribution			80	0	120	120	120		168	608
11 Submittal Review			40	120	400	450	600			1610
12 Supplemental instructions preparation and coordination			150	40	750	750	750			2440
13 Change order review		40	80	20	200	200	200			700
14 Pay app review			80	0	200	200	200			720
15 Punchlist walk and report			40	20	80	80	80			300
16 Concessionaire coordination			40	80	140	140	140			540
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Subtotal Hours		280.00	1,745.00	640.00	3,660.00	4,220.00	5,120.00	300.00	1,868.00	3165024
Billing Rate \$	295.00	\$ 285.00	\$ 250.00	\$ 230.00	\$ 230.00	\$ 150.00	\$ 150.00	\$ 150.00	\$ 105.00	
Subtotal Direct Labor \$		\$ 79,800.00	\$ 436,250.00	\$ 147,200.00	\$ 841,800.00	\$ 633,000.00	\$ 768,000.00	\$ 45,000.00	\$ 196,140.00	
TOTAL										\$ 3,147,190.00

Project Fee Proposal				
AVL Phase 2 Terminal Modernization				
Interior Design				
1/31/2022				
Task Description	Senior Interior Designer	Interior Designer	Interior Design Intern	Total
1 Task 6 - Contract Construction Administration				
2 Document Control and Contract Administration Procedures	80	80		160
3 Consultant Coordination and Correspondence	150	220		370
4 Answer Subcontractor RFI's	100	200		300
5 Sub Contractor GMP Coordination	80	120		200
6 OAC Meetings	160	40		200
7 Site Visit report and documentation	80	40		120
8 Submittal Review	120	184		304
9 Supplemental instructions preparation and coordination	60	200		260
10 Change order review	80	120		200
11 Pay app review	120	40		160
12 Punchlist walk and report	60	60		120
13 Concessionaire coordination	60	40		100
14				0
15				0
16				0
17				0
18				0
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42				0
43				0
44				0
45				0
46				0
47				0
48				0
49				0
Subtotal Hours	1,150.00	1,344.00	-	2494
Billing Rate \$	190.00 \$	140.00 \$	100.00 \$	
Subtotal Direct Labor \$	218,500.00 \$	188,160.00 \$	-	
TOTAL \$				406,660.00

Project Fee Proposal				
AVL Phase 2 Terminal Modernization				
Wayfinding				
1/31/2022				
	Task Description	EGD Director	Senior EGD Designer	Total
1	Task 6 - Contract Construction Administration			
2	Document Control and Contract Administration Procedures		40	40
3	Consultant Coordination and Correspondence		62	62
4	Answer Subcontractor RFI's		122	122
5	OAC Meetings		46	46
6	Site Visit report and documentation		64	64
7	Submittal Review		80	
8	Supplemental instructions preparation and coordination		120	120
9	Change order review		23	23
10	Pay app review		40	40
11	Punchlist walk and report		88	88
12				0
13				0
14				0
15				0
16				0
17				0
18				0
19				
20				0
21				0
22				0
23				0
24				0
25				0
26				0
27				0
28				0
29				0
30				0
31				0
32				0
33				0
34				0
35				0
36				0
	Subtotal Hours	-	685.00	605
	Billing Rate	\$ 225.00	\$ 185.00	
	Subtotal Direct Labor	\$ -	\$ 126,725.00	
	TOTAL			\$ 126,725.00

Project Fee Proposal				
AVL Phase 2 Terminal Modernization				
Structural				
1/31/2022				
Task Description	Structural Director	Senior Structural Designer	Structural Designer	Total
1 Task 6 - Contract Construction Administration				
2 Document Control and Contract Administration Procedures		80	80	160
3 Consultant Coordination and Correspondence		150	220	370
4 Contractor Clash Detection Meetings		100	200	300
5 Answer Subcontractor RFI's		80	120	200
6 Sub Contractor GMP Coordination		160	40	200
7 OAC Meetings		80	40	120
8 Site Visit report and documentation		120	184	304
9 Submittal Log and distribution		60	200	260
10 Submittal Review		80	120	200
11 Supplemental instructions preparation and coordination		120	40	160
12 Change order review		60	60	120
13 Pay app review		60	40	100
14 Punchlist walk and report		80	40	120
15				0
16				0
17				0
18				0
19				0
20				0
21				0
22				0
23				0
24				0
25				0
26				0
27				0
28				0
29				0
30				0
31				0
32				0
33				0
34				0
35				0
36				0
37				0
38				0
39				0
40				0
Subtotal Hours	-	1,230.00	1,384.00	2614
Billing Rate	\$ 265.00	\$ 250.00	\$ 175.00	
Subtotal Direct Labor	\$ -	\$ 307,500.00	\$ 242,200.00	
TOTAL				\$ 549,700.00

Project Fee Proposal						
AVL - Terminal Modernization Project						
Landside Civil						
1/23/2023						
Task Description	PRIN	PM	PD	PP/PA		Total
1. Task & Contract Construction Administration						
2. Preconstruction meeting			71	35		106
3. Shop Drawing Review			110	74		184
4. Construction Administration (RFIs, Team Questions, etc.)			360	250		610
5. Site Visits (Assume 1 per month)			80	84		164
6. Weekly Virtual Meetings (Civil duration)			124	80		204
7. Weekly Virtual Meetings (Project duration)			60	320		380
8. Final Inspection			60	40		100
9. Record Drawings			120	160		280
10. Project Close Out			60	80		140
11.						0
12.						0
13.						0
14.						0
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67.						0
68.						0
69.						0
70.						0
71.						0
72.						0
Subtotal Hours			1,095.00	1,123.00		2,218
Billing Rate	\$ 240.00	\$ 270.00	\$ 175.00	\$ 135.00		
Subtotal Direct Labor	\$	\$	\$ 190,530.00	\$ 154,974.00	\$	\$ 345,504.00
TOTAL FEE						\$ 345,504.00

Project Fee Proposal
 AVL - Terminal Modernization Project
 Fire Protection
 1/31/2022

Task Description	PJC	Chief Engineer II/Director	Project Manager	Discipline Lead	Sr. Specialist III	Sr. Specialist II	Specialist III	Specialist II	BIM Manager	BIM Technician	Project Coordinator			Total
Task 6 - Contract Construction Administration														
1 Submittal Review, RFI Review				80	40	80	23			80	50			353
2 Inspection, Meetings		115		60	24	36								235
3														0
4														0
5														0
6														0
7														0
8														0
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37														0
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39														0
40														0
Subtotal Hours	-	115.00	-	140.00	64.00	116.00	23.00	-	-	80.00	50.00	-	-	589
Billing Rate	\$ 341.00	\$ 262.00	\$ 231.00	\$ 218.00	\$ 174.00	\$ 161.00	\$ 152.00	\$ 105.00	\$ 151.00	\$ 123.00	\$ 92.00			
Subtotal Direct Labor	\$ -	\$ 30,130.00	\$ -	\$ 30,520.00	\$ 11,136.00	\$ 18,676.00	\$ 3,496.00	\$ -	\$ -	\$ 10,000.00	\$ 4,600.00	\$ -	\$ -	\$ 108,558.00
TOTAL FEE														\$ 108,558.00

Project Fee Proposal

AVL - Terminal Modernization Project

Special Systems

1/31/2022

Task Description	PIC	Chief Engineer II/PM	Discipline Lead	Sr. Specialist III	Specialist III	Sr. Specialist II	BIM Technician	Project Coordinator	Total
1 Task 6 - Contract Construction Administration									
2 Submittal Review, RFI Review		44	135	80	100	180	120	141	800
3 Inspection, Meetings		224	102	24	12	24			386
4									0
5									0
6									0
7									0
8									0
9									0
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38									0
39									0
40									0
Subtotal Hours	-	268.00	237.00	104.00	112.00	204.00	120.00	141.00	1186
Billing Rate	\$ 341.00	\$ 262.00	\$ 218.00	\$ 174.00	\$ 152.00	\$ 161.00	\$ 125.00	\$ 92.00	
Subtotal Direct Labor	\$ -	\$ 70,216.00	\$ 51,666.00	\$ 18,096.00	\$ 17,024.00	\$ 32,844.00	\$ 15,000.00	\$ 12,972.00	\$ 217,818.00
TOTAL FEE									\$ 217,818.00

Project Fee Proposal
 AVL - Terminal Modernization Project
 Envelope Review
 1/31/2022

Task Description	Principal in Charge	Fill in staff title	Fill in staff title	Fill in staff title	Fill in staff title	Fill in staff title	Fill in staff title	Fill in staff title	Fill in staff title	Fill in staff title	Fill in staff title	Fill in staff title	Fill in staff title	Total
1 Task 6 - Contract Construction Administration														
2 Submittal review	58													58
3 Site visit and reporting	319													319
4														0
5														0
6														0
7														0
8														0
9														0
10														0
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35														0
36														0
37														0
Subtotal Hours	377.00	-	-	-	-	-	-	-	-	-	-	-	-	377
Billing Rate	\$ 209.16													
Subtotal Direct Labor	\$ 78,853.32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,853.32
TOTAL FEE														\$ 78,853.32

Project Fee Proposal					
AVL - Terminal Modernization Project					
Airside Civil					
1/25/2023					
Task Description	PRIN	PM	PD	PP/PA	Total
1 Task 4 - Contract Construction Administration					
2 Preconstruction meeting		36	36	16	88
3 Shop Drawing Review		17	68	17	102
4 Construction Administration (RFI, Team Questions, etc.)		105	242	200	547
5 Site Visits (Assume 1 per month)		288	0	84	372
6 Weekly Virtual Meetings (Civil duration)		174	0	0	174
7 Weekly Virtual Meetings (Project duration)		10	60	320	390
8 Final Inspection		36	36	18	90
9 Record Drawings		8	40	80	128
10 Project Close Out		36	40	40	116
11					0
12					0
13					0
14					0
15					0
16					0
17					0
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198					0
199					0
200					0
Subtotal Hours		719.00	521.00	775.00	2015.00
Billing Rate \$	285.00	\$	370.50	\$	338.00
Subtotal Direct Labor \$		\$ 191,700.00	\$ 90,821.00	\$ 106,930.00	\$ 389,478.00
TOTAL BIDD \$					\$ 389,478.00

Project Fee Proposal										
AVL - Terminal Modernization Project										
BUSE										
1/18/2023										
Task Description	Program Manager	Project Manager	BHS Designer	Mechanical Engineer	Elect/Controls Eng	PE	CAD Designer	BHS Installation Specialist	Administration	Total
1. Task 6 - Contract Construction Administration										
2. Prestart Meetings	8	156							3	167
3. Submittals and Shop Drawings	18	144	18	18	18				3	219
4. RFIs / RFRs	16	40	20						3	79
5. Site Visits	24	432							3	465
6. Punchlists		27	18						3	48
7. OTA Pay App Reviews	5	18							3	26
8. Testing	120	160							3	283
9. Closeout	8	40	20						3	69
10										
11										
12										
13										
14										
15									0	
16									0	
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73									0	
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75									0	
76									0	
77									0	
78									0	
79									0	
80									0	
Subtotal Hours	198.50	1,017.00	76.00	18.00	18.00				24.00	586
Billing Rate	\$ 206.25	\$ 185.00	\$ 171.88	\$ 171.88	\$ 158.13	\$ 185.00	\$ 185.00	\$ 82.50	\$ 131.25	\$ 68.75
Subtotal Direct Labor	\$ 40,940.63	\$ 188,787.00	\$ 13,062.50	\$ 3,093.75	\$ 2,846.25	\$ -	\$ -	\$ -	\$ 3,150.00	\$ 248,779.75
TOTAL FEE										\$ 250,779.75

Project Fee Proposal
AVL - Terminal Modernization Project
Blast Mitigation
 1/31/2022

	Principal/SR VP	Associate	Senior Engineer/SR BIM	Total	
1	Task 6 - Contract Construction Administration				
2		8	4		
3		20	40		
4		40	60		
5		16	4		
6		60	35		
7					
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36					
37					
	Subtotal Hours	-	144.00	143.00	0
	Billing Rate	\$ 232.65	\$ 140.92	\$ 103.23	
	Subtotal Direct Labor	\$ -	\$ 20,292.48	\$ 14,761.89	\$ 35,054.37
			TOTAL FEE	\$	35,054.37

Project Fee Proposal
 AVL - Terminal Modernization Project
 Mechanical/Electrial/Plumbing
 1/31/2022

	Task Description	Principal	Director	Senior Engineer	Jr Engineer	Technician	Admin	Total
1	Task 6 - Contract Construction Administration							
2	Plumbing			333				333
3	Mechanical			1333				1333
4	Electrical			1667				
5	Administrative							
6	104020							
18								
19								0
20								0
21								0
22								0
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64								0
65								
66								
67								
68								
78								
79								0
80								
	Subtotal Hours	-	-	3,333.00	-	-	-	1666
	Billing Rate	\$ 210.00	\$ 196.00	\$ 165.00	\$ 135.00	\$ 105.00	\$ 86.00	
	Subtotal Direct Labor	\$ -	\$ -	\$ 549,945.00	\$ -	\$ -	\$ -	\$ 549,945.00
TOTAL FEE								\$ 549,945.00

Travel Plan - (Gresham Smith)

	Name of Traveller	Name of Firm	Length of Trip (nights)	Travel Origination City	Travel Destination City	Mileage Cost (\$) At Origination City	Parking Cost (\$) At Origination City (Daily Rate)	Air Fare Cost (\$)	Hotel Cost (\$) At Destination City (Nightly Rate)	Rental Car Cost (\$) At Destination City (Daily Rate)	Total Fuel Cost (\$) At Destination City	Meal Costs (\$) (Daily Rate)	Total Trip Cost (\$)	Number of Trips	Trip Costs (\$)	Total (\$)
1	PM	GS	2	RIC	AVL	\$ 15.00	\$ 20.00	\$ 550.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 1,325.00	50	\$ 66,250.00	\$ 66,250.00
2	Project Architect	GS	2	CLT	AVL	\$ 15.00	\$ -	\$ -	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 735.00	150	\$ 110,250.00	\$ 110,250.00
3	Interior Designer	GS	1	RIC	AVL	\$ 15.00	\$ 20.00	\$ 550.00	\$ 190.00	\$ -	\$ -	\$ 75.00	\$ 850.00	15	\$ 12,750.00	\$ 12,750.00
4	Wayfinding	GS	1	BNA	AVL	\$ 15.00	\$ 20.00	\$ 550.00	\$ 190.00	\$ -	\$ -	\$ 75.00	\$ 850.00	10	\$ 8,500.00	\$ 8,500.00
5	Landside Civil	GS	1	BNA	AVL	\$ 15.00	\$ 20.00	\$ 550.00	\$ 190.00	\$ -	\$ -	\$ 75.00	\$ 850.00	20	\$ 17,000.00	\$ 17,000.00
6	Project Coordinator	GS	1	TPA	AVL	\$ 15.00	\$ 20.00	\$ 550.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 955.00	75	\$ 71,625.00	\$ 71,625.00
7	Structural	GS	2	BNA	AVL	\$ 15.00	\$ 20.00	\$ 550.00	\$ 190.00	\$ -	\$ -	\$ 75.00	\$ 1,135.00	55	\$ 62,425.00	\$ 62,425.00
															\$ -	\$ -
														375	\$ 348,800.00	\$ 348,800.00

Travel Plan - (Arora)

	Name of Traveller	Name of Firm	Length of Trip (nights)	Travel Origination City	Travel Destination City	Mileage Cost (\$) At Origination City	Parking Cost (\$) At Origination City (Daily Rate)	Air Fare Cost (\$)	Hotel Cost (\$) At Destination City (Nightly Rate)	Rental Car Cost (\$) At Destination City (Daily Rate)	Total Fuel Cost (\$) At Destination City	Meal Costs (\$) (Daily Rate)	Total Trip Cost (\$)	Number of Trips	Trip Costs (\$)	Total (\$)
1	Edward Hart	Arora Engin	1	Philadelphia	AVL	\$ 40.00	\$ 24.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 934.00	7	\$ 6,538.00	\$ 6,538.00
2	Kit Del Rosario	Arora Engin	1	Los Angeles	AVL	\$ 40.00	\$ 36.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 946.00	2	\$ 1,892.00	\$ 1,892.00
3	Kennith Chepkok	Arora Engin	1	Philadelphia	AVL	\$ 40.00	\$ 24.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 934.00	1	\$ 934.00	\$ 934.00
4	Daniel Kolman	Arora Engin	1	Philadelphia	AVL	\$ 40.00	\$ 24.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 934.00	1	\$ 934.00	\$ 934.00
5	Chase Miller	Arora Engin	1	Newark	AVL	\$ 40.00	\$ 30.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 940.00	4	\$ 3,760.00	\$ 3,760.00
6	Stas Kaspin	Arora Engin	1	Newark	AVL	\$ 40.00	\$ 30.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 940.00	2	\$ 1,880.00	\$ 1,880.00
7	Daniel O'Brien	Arora Engineers		Newark	AVL	\$ 40.00	\$ 30.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 560.00	1	\$ 560.00	\$ 560.00
8															\$ -	\$ -
														18	\$ 16,498.00	\$ 16,498.00

Travel Plan - (Delta)

	Name of Traveller	Name of Firm	Length of Trip (nights)	Travel Origination City	Travel Destination City	Mileage Cost (\$) At Origination City	Automobile Mileage Cost (\$)	Parking Cost (\$) At Origination City (Daily Rate)	Air Fare Cost (\$)	Hotel Cost (\$) At Destination City (Nightly Rate)	Rental Car Cost (\$) At Destination City (Daily Rate)	Total Fuel Cost (\$) At Destination City	Meal Costs (\$) (Daily Rate)	Total Trip Cost (\$)	Number of Trips	Trip Costs (\$)
1	TBD 1	DAC	1	CLT	AVL	\$ -	\$ 182.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75.00	\$ 257.00	36	\$ 9,252.00
2	TBD 2	DAC	1	CLT	AVL	\$ -	\$ 182.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75.00	\$ 257.00	16	\$ 4,112.00
															52	\$ 13,364.00

Travel Plan - (Envelope Review)

	Name of Traveller	Name of Firm	Length of Trip (nights)	Travel Origination City	Travel Destination City	Mileage Cost (\$) At Origination City	Parking Cost (\$) At Origination City (Daily Rate)	Air Fare Cost (\$)	Hotel Cost (\$) At Destination City (Nightly Rate)	Rental Car Cost (\$) At Destination City (Daily Rate)	Total Fuel Cost (\$) At Destination City	Meal Costs (\$) (Daily Rate)	Total Trip Cost (\$)	Number of Trips	Trip Costs (\$)	Total (\$)
1	Jon Macias	Construction	2	Tampa, Florida	AVL	\$ -	\$ 34.00	\$ 622.00	\$ 225.00	\$ 120.00	\$ -	\$ 60.00	\$ 1,500.00	12	\$ 18,000.00	\$ 18,000.00
2	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
3	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
4	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
5	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
6	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
7																
8																
														12	\$ 18,000.00	\$ 18,000.00

Travel Plan - (JSM)

Reason for Trip	Name of Firm	Length of Trip (nights)	Travel Origination City	Travel Destination City	Mileage Cost (\$)	Parking Cost (\$)	Air Fare Cost (\$)	Hotel Cost (\$)	Rental Car Cost (\$)	Total Fuel Cost (\$)	Meal Costs (\$)	Total Trip Cost (\$)	Number of Trips	Trip Costs (\$)	Total (\$)
					At Origination City	At Origination City (Daily Rate)		At Destination City (Nightly Rate)	At Destination City (Daily Rate)	At Destination City					
1 Kickoff	JSM	1	MCO	AVL	\$ 15.00	\$ 20.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 905.00	1	\$ 905.00	\$ 905.00
2 Controls Meetings (FAT) (2 per JSM)	JSM	2	MCO	AVL	\$ 15.00	\$ 20.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 1,275.00	0	\$ -	\$ -
3 Temp System	JSM	3	MCO	AVL	\$ 15.00	\$ 20.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 1,645.00	2	\$ 3,290.00	\$ 3,290.00
4 BHS Construction (10 months)	JSM	2	Enter City	AVL	\$ 15.00	\$ 20.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 1,275.00	13	\$ 16,575.00	\$ 16,575.00
5 Commissioning and Testing (2 per JSM)	JSM	3	Enter City	AVL	\$ 15.00	\$ 20.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 1,645.00	6	\$ 9,870.00	\$ 9,870.00
6 Punch & Closeout	JSM	2	Enter City	AVL	\$ 15.00	\$ 20.00	\$ 500.00	\$ 190.00	\$ 85.00	\$ 20.00	\$ 75.00	\$ 1,275.00	0	\$ -	\$ -
7												\$ -		\$ -	\$ -
8												\$ -		\$ -	\$ -
													22	\$ 30,640.00	\$ 30,640.00

Travel Plan - (Thornton Tomasetti)

1	Name of Traveller	Name of Firm	Length of Trip (nights)	Travel Origination City	Travel Destination City	Mileage Cost (\$)	Parking Cost (\$)	Air Fare Cost (\$)	Hotel Cost (\$)	Rental Car Cost (\$)	Total Fuel Cost (\$)	Meal Costs (\$)	Total Trip Cost (\$)	Number of Trips	Trip Costs (\$)	Total (\$)
						At Origination City	At Origination City (Daily Rate)		At Destination City (Nightly Rate)	At Destination City (Daily Rate)	At Destination City	(Daily Rate)				
1	TBD	TT	1	Boston	AVL	\$ 35.00	\$ 60.00	\$ 720.00	\$ 225.00	\$ 145.00	\$ 28.00	\$ 75.00	\$ 1,288.00	2	\$ 2,576.00	\$ 2,576.00
2	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
3	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
4	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
5	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
6	Name of traveler	Company	0	Enter City	AVL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	0	\$ -	\$ -
7																
8														2	\$ 2,576.00	\$ 2,576.00

Travel Plan - (AME)

1	Name of Traveller	Name of Firm	Length of Trip (nights)	Travel Origination City	Travel Destination City	Mileage Cost (\$)	Parking Cost (\$)	Air Fare Cost (\$)	Hotel Cost (\$)	Rental Car Cost (\$)	Total Fuel Cost (\$)	Meal Costs (\$)	Total Trip Cost (\$)	Number of Trips	Trip Costs (\$)	Total (\$)
						At Origination City	At Origination City (Daily Rate)		At Destination City (Nightly Rate)	At Destination City (Daily Rate)	At Destination City					
1	M/P Engineer	AME	1	CLT	AVL	\$ 35.00	\$ 25.00	\$ -	\$ 195.00	\$ 150.00	\$ 81.00	\$ 150.00	\$ 636.00	110	\$ 69,960.00	\$ 69,960.00
2	E Engineer	AME	1	CLT	AVL	\$ 35.00	\$ -	\$ -	\$ 195.00	\$ -	\$ -	\$ 150.00	\$ 380.00	110	\$ 41,800.00	\$ 41,800.00
3																
4																
5																
6																
7																
														220	\$ 111,760.00	\$ 111,760.00



MEMORANDUM

TO: Members of the Airport Authority

FROM: Samuel C. Sales, Public Safety Chief

DATE: April 8, 2022

ITEM DESCRIPTION – New Business Item B

Approval of Amended Body-Worn Camera and Dashboard Camera Policy

BACKGROUND

On June 8, 2018, the Board approved the current Body-Worn Camera Policy, Administration Policies and Procedures Section 123.00. The Body-Worn Camera Policy is being amended to meet current State Statutes including adding dashboard cameras and standardizing definitions. The amended Policy clarifies the requirements for the use of body-worn cameras by Department of Public Safety sworn law enforcement personnel. Specific details that may change as a result of advances in technology, developments in manufacturer specific procedures, modification of administrative processes, or adjustment of training methods were transitioned to a Departmental Directive. This permits staff flexibility for designation of certain administrative roles and training responsibilities that may change with staff assignments or training needs. The transfer of these details allows staff to quickly adopt procedural or technological changes through the Departmental Directive, while maintaining the core principles within the Policy.

ISSUES

None.

ALTERNATIVES

The Authority Board could elect to make additional changes or modifications to the policy. However, the amendments addressing inclusion of dashboard cameras is a requirement under State Statute.

New Business – Item B



FISCAL IMPACT

None.

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to approve the attached amended Body-Worn Camera and Dashboard Camera Policy.

OBJECTIVE

To establish the procedures and guidelines for the use of body-worn cameras (BWCs) and dashboard cameras by Airport Public Safety Officers. The purpose of the devices is to gather recorded evidence for the prosecution of violators of criminal laws. Additionally, these devices will assist the Greater Asheville Regional Airport Authority (GARAA) Department of Public Safety (DPS) in the defense of complaints against personnel, quality assessment of officer-citizen contacts and officer safety.

METHOD OF OPERATION

Definitions

Body-Worn Camera (BWC): An operational video or digital camera or other electronic device, including a microphone or other mechanism for allowing audio capture, affixed to the uniform or person of law enforcement agency personnel and positioned in a way that allows the camera or device to capture interactions the law enforcement agency personnel has with others.

Custodial Law Enforcement Agency: The law enforcement agency that owns or leases or whose personnel operates the equipment that created the recording at the time the recording was made. Unless otherwise specified, means the Greater Asheville Regional Airport Authority Department of Public Safety.

Dashboard Camera: A device or system installed or used in a law enforcement agency vehicle that electronically records images or audio depicting interaction with others by law enforcement agency personnel. This term does not include body-worn cameras.

Disclose or Disclosure: To make a recording available for viewing or listening to by the person requesting disclosure, at a time and location chosen by the custodial law enforcement agency. This term does not include the release of a recording.

Evidentiary Recordings: Any image, including, but not limited to photographs, photograph negatives, videos, video images, audio recordings, or other digital media that is related to crime scenes, traffic stops, arrests, or any investigative action via departmental devices.

Investigative Actions: Any contact with a citizen or suspect that occurs on any call whether self-initiated or dispatched.

Recording: A visual, audio, or visual and audio recording captured by a body-worn camera, a dashboard camera, or any other video or audio recording device operated by or on the behalf of a law enforcement agency or law enforcement agency personnel when carrying out law enforcement responsibilities. This term does not include any video or audio recordings of interviews regarding agency internal investigations, interviews or interrogations of suspects or witnesses, or GARAA closed-circuit television recordings.

Release: To provide a copy of a recording.

Policy

The intent of this policy is to: give clear guidelines on the use of this technology, ensure that it does not undermine the agency goals of establishing greater accountability without jeopardizing the privacy of the public and the officer, and enhance the law enforcement effectiveness of the agency while balancing and maintaining public trust and confidence in the agency's law enforcement efforts. This policy establishes procedures for the use, maintenance and control of the department's body-worn cameras and dashboard cameras. Specific details for administration, training, operational procedures, activation, deactivation, data management, data storage, and other areas are covered in detail in the Body-Worn Camera and Dashboard Camera Departmental Directive.

Administration

The Public Safety Chief will designate a program manager for the BWC and dashboard camera programs. Designation and program responsibilities are detailed in the Body-Worn Camera and Dashboard Camera Departmental Directive.

Training

The Public Safety Chief will designate a training officer for the BWC and dashboard camera programs. Designation and training responsibilities are detailed in the Body-Worn Camera and Dashboard Camera Departmental Directive.

Only those officers who have received instruction and demonstrated proficiency in the proper operation and use of the BWC and dashboard camera shall be authorized to operate such equipment.

Procedures

All sworn law enforcement DPS personnel are required to wear a BWC while on duty in uniform and performing law

enforcement related activities or when working approved extra duty law enforcement assignments in uniform.

Officers shall ensure the BWC is properly mounted in such a way to ensure the best chance of capturing the event from the officer's perspective.

All DPS law enforcement motor vehicles, as defined in North Carolina General Statute § 20-4.01(23) and equipped per North Carolina General Statute § 20-125(b), shall be equipped with a dashboard camera.

Additional operational procedures are provided in the Body-Worn Camera and Dashboard Camera Departmental Directive.

Activation

The BWC shall be activated upon being dispatched to, and/or when responding to assist on any and all calls for service (except a call handled via telephone), during all traffic stops, pursuits, arrests, investigative actions, adversarial encounters, prisoner or mental health transports, when directed to do so by a supervisor, any use of force, and any other relevant interactions with the public.

The dashboard camera shall be activated for emergency response, traffic stops, pursuits, arrests, investigative actions, adversarial encounters, and prisoner or mental health transports.

Additional activation procedures are provided in the Body-Worn Camera and Dashboard Camera Departmental Directive.

Deactivation

Officers must carefully consider deactivation of the BWC and/or dashboard camera and must be prepared to justify deactivation in the event that an incident occurs while the BWC and/or dashboard camera is deactivated.

Intentional deactivation during incidents where the use of the BWC and/or dashboard camera is required by this policy or by departmental directive may initiate disciplinary action, including termination. Obstructing, shielding, or any act of interference with the BWC or dashboard camera is not permitted.

Additional procedures for deactivation are provided in the Body-Worn Camera and Dashboard Camera Departmental Directive.

Data Management

All BWC and dashboard camera recordings shall be uploaded only to a secured server in accordance with manufacturer recommendations.

BWC and dashboard data management shall be in accordance with the Body-Worn Camera and Dashboard Camera Departmental Directive.

Recording File Storage

Officers will label recordings on the BWC and/or dashboard camera in accordance with the manufacturer's recommendations and the Body-Worn Camera and Dashboard Camera Departmental Directive.

When recordings become evidentiary recordings, they will be treated as any other evidentiary items in accordance with evidence procedures.

All recordings are subjected to being erased after the designated retention period unless a longer retention period has been identified for court or investigative purposes.

Evidentiary recordings that have not been classified, marked as evidence, made part of a case file, or been requested for upload to a flash drive or "burning to DVD" will be removed/deleted from the system in accordance with the State of North Carolina Municipal Records Retention and Disposition Schedule. Purging of other recordings should be done according to the rules set forth on the State schedule, depending on the type of recording.

Data Security and Dissemination

Per North Carolina General Statute § 132-1.4.A(b), Public Record and Personnel Record Classification – Recordings are not public records as defined by G.S. 132-1. Recordings are not personnel records as defined in Part 7 of Chapter 126 of the General Statutes, G.S. 160A-168, or G.S. 153A-98.

Unless authorized by the Public Safety Chief or pursuant to request and Court order under North Carolina General Statute § 132-1.4.A(c), recordings shall not be duplicated or disseminated to any person outside of the Department of Public Safety.

Requests for disclosure and/or release of recordings to persons or agencies outside of the criminal justice system shall be reviewed on a case-by-case basis and in accordance with North Carolina General Statutes § 132-1.4A.

Any recordings associated with a criminal investigation may be released to the District Attorney upon request. The distribution of the video recording will be documented on the appropriate departmental form and the form will be placed in the master case file. The distribution and/or dissemination of the video will be logged in a manner that can be produced for court if necessary.

Restrictions

All recordings generated by officers are the property of the department, and no recordings generated by officers shall be reproduced without permission of the Public Safety Chief.

Officers shall not erase, reuse, alter, or tamper with recordings obtained by the BWC or dashboard camera.

Officers shall not access BWC or dashboard camera recordings for personal use and shall not upload recordings onto public and social media websites or record data with personal video equipment such as a cellular telephone.

The Body-Worn Camera and Dashboard Camera Departmental Directive lists circumstances in which the utilization of a BWC and/or dashboard camera are prohibited.

Evaluation

This policy will be reviewed on an annual basis to determine continued compliance with Federal and State laws, GARAA standards, and DPS practices and protocols.

**APPROVAL AND
UPDATE HISTORY**

Approval

Supersedes June 8, 2018



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: April 8, 2022

ITEM DESCRIPTION – New Business Item C

Approval of Bond Issuance

BACKGROUND

The Authority's bond counsel, Womble Bond Dickinson LLP, has prepared the necessary documents for the bond financing of the new terminal building and air traffic control tower. Although substantially complete, these are draft documents.

The Amended and Restated General Trust Indenture is the master financing document establishing the security structure for the Authority's bond issuances. The Series Indenture, No. 2, includes the specific details of the 2022A Bonds. The Preliminary Official Statement is the securities offering document for potential investors in the 2022A Bonds. The Bond Purchase Agreement is the contract between the Authority, the Underwriters of the 2022A Bonds and the LGC pursuant to which the Underwriters agree to buy the 2022A Bonds. These four documents require approval of the Authority Board.

ISSUES

None

ALTERNATIVES

None

New Business – Item C



FISCAL IMPACT

As outlined in the bond documents

RECOMMENDED ACTION

It is respectfully requested that the Greater Asheville Regional Airport Authority Board resolve to (1) approve the attached bond financing documents in substantial form; (2) approve the issuance of the 2022A Bonds pending LGC approval; and (3) authorize the Chairman of the Authority Board, the Executive Director and the Director of Finance to execute the necessary documents on the bond closing date.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

and

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

AMENDED AND RESTATED GENERAL TRUST INDENTURE

Dated as of
May 1, 2022

Greater Asheville Regional Airport Authority
Airport System Revenue Bonds

GENERAL TRUST INDENTURE

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[To be updated.]

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<p>provisions of this Indenture as may be necessary or desirable to comply with custom, or otherwise.</p> <p>Section 3.3 Books for Registration. Unless otherwise provided in a Series Indenture with respect to the related Series of the Bonds, so long as any Bonds are Outstanding, the Authority will cause to be maintained and kept, at a corporate trust office of the Trustee, books for the registration of Bonds. On presentation thereof for such purpose at said office by the Owner thereof or his duly authorized attorney, the Trustee will register, or cause to be registered in such books, any Bonds entitled to registration, under such reasonable regulations as the Trustee may prescribe.</p> <p>Section 3.4 Transfer and Exchange of Bonds. Ownership of Bonds will be transferable only on the books of the Trustee, on surrender of the Bonds to be transferred with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner thereof or his duly authorized attorney. Bonds may be exchanged for Bonds of the same Series and maturity in other authorized denominations, on surrender of the Bonds to be exchanged to the Trustee with a written instrument requesting such exchange, duly executed by the Owner thereof or his duly authorized attorney.</p> <p>Section 3.5 Replacement of Mutilated, Destroyed, Stolen or Lost Bonds. If a Bond is mutilated, destroyed, stolen or lost, the Authority will execute or cause to be executed and the Trustee will authenticate and deliver replacement Bonds of the same Series and maturity. For any mutilated Bonds, such new Bonds will be delivered only on surrender and cancellation of the mutilated Bonds. For destroyed, stolen or lost Bonds, such new Bonds will be delivered only on the filing with the Trustee of evidence satisfactory to establish to the Authority and the Trustee that such Bonds have been destroyed, stolen or lost and to prove the ownership thereof and on furnishing the Authority and the Trustee with indemnity satisfactory to them. The person requesting the delivery of new Bonds pursuant to this Section must comply with such other reasonable regulations as the Authority and the Trustee prescribe and pay such expenses as the Authority and the Trustee incur in connection therewith.</p> <p>Section 3.6 Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity and all Bonds delivered for transfer or exchange as provided in Section 3.4 must be delivered to the Trustee when such payment or redemption is made. The Trustee will promptly cancel such Bonds, together with all Bonds surrendered for replacement pursuant to Section 3.5 and any other Bonds delivered to the Trustee with instructions to cancel the same. Bonds so canceled may at any time be cremated or otherwise destroyed by the Trustee. On the cremation or destruction of canceled Bonds, the Trustee will provide to the Authority a written certification thereof.</p> <p>Section 3.7 Execution and Authentication. The Bonds will be executed on behalf of the Authority with the manual or facsimile signature of its Chair or Executive Director and will have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Authority and will be attested with the manual or facsimile signature of the Clerk to the Board. If any officer of the Authority whose signature or whose facsimile signature appears on the Bonds ceases to be such officer before the delivery of such Bonds, such signature or facsimile signature will nevertheless be valid and sufficient for all purposes, as if he had remained in office until delivery. In addition, each Bond will be authenticated by the manual or facsimile signature of an authorized officer of the Trustee. If any official of the Trustee whose signature appears on the Bonds ceases to be such official before delivery of the Bonds, such signature is nevertheless valid and sufficient for all purposes, as if he had remained in office until delivery. No Bond is valid or obligatory for any purpose or entitled to any security or benefit hereunder unless and until executed and authenticated in the</p>	<p>17</p> <p>17</p> <p>17</p> <p>17</p> <p>17</p> <p>17</p>
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Section 3.9 Temporary Bonds. Pending the preparation of definitive Bonds of any Series, the Authority may execute and the Trustee will authenticate and deliver temporary Bonds of such Series. Temporary Bonds will be issuable as fully registered Bonds, of any denomination permitted by the related Series Indenture, and substantially in the form of the definitive Bonds of such Series but with such omissions, insertions and variations as may be appropriate for temporary Bonds, all as may be determined by the Authority. Every temporary Bond will be executed by the Authority and authenticated by the Trustee on the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable, the Authority will execute and will furnish definitive Bonds and then temporary Bonds may be surrendered in exchange therefor without charge at the designated corporate trust office of the Trustee, and the Trustee will authenticate and deliver in exchange for such temporary Bonds a like aggregate Principal amount of definitive Bonds. Until so exchanged, the temporary Bonds will be entitled to the same benefits under this Indenture as definitive Bonds. 18

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Bonds, according to the true intent and meaning thereof and will duly and punctually pay or cause to be paid all Sinking Fund Payments, if any, becoming payable with respect to any of the Bonds and all other payments of Interest required under this Indenture. 26

Section 6.2 Power To Issue Bonds and Pledge. The Authority is duly authorized under the Act to authorize and issue the Bonds and to enter into, execute and deliver this Indenture and to pledge the Trust Estate, including the Net Revenues, purported to be pledged hereby in the manner and to the extent herein provided. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable obligations of the Authority in accordance with the terms of the Bonds and of this Indenture. The Authority will at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners under this Indenture against all claims and demands of all persons whomsoever..... 26

Section 6.3 Further Assurance. At any and all times the Authority will, so far as it may be authorized by law, pass, make, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the Trust Estate. 26

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Section 6.6 Rate Covenant. Before the commencement of each Fiscal Year, the Authority will fix, establish or maintain or cause to be fixed, established and maintained such rates and charges for the provision of services of the Airport System and revise or cause to be revised the same, as necessary, as will produce Revenues at least equal to the Rate Covenant. The Authority may not render free services except as permitted under FAA regulations; all users, including political subdivisions and public bodies (State or federal) who receive services from the Airport System will pay therefor at the established rates, fees and charges. The rates, fees and charges need not be uniform. 27

Section 6.7 Derivative Agreements. The Authority will not enter into a Derivative Agreement without the approval of the LGC or a person designated by the LGC to approve a contract such as a Derivative Agreement. The Authority may not terminate a Derivative Agreement without the approval of the LGC or a person designated by the LGC to approve a termination of a Derivative Agreement..... 28

Section 6.8 Issuance of Additional Bonds. 28

Section 6.9 Construction; Maintenance of Airport System. The Authority will complete or cause to be completed the additions, extensions and improvements of the Airport System provided for in this Indenture in accordance with plans and specifications and in an economical and efficient manner with all practicable dispatch and thereafter will maintain or cause to be maintained the Airport System in good condition and will continuously operate or cause to be operated the same in an efficient manner and at a reasonable cost as a municipal revenue-producing enterprise. The Authority will also maintain and amend in each Fiscal Year a capital improvement plan for the Airport System extending over a period of not less than the three following Fiscal Years. 30

Section 6.10 Insurance; Condemnation. The Authority will carry or cause to be carried such insurance with a reputable insurance carrier or carriers, such as is maintained or carried by similar governmentally-owned systems as the Airport System, including, public liability insurance against loss or damage by any natural disaster, fire, explosion, occupancy or other hazards and risks, and said property loss and damage insurance will at all times be in an amount sufficient to indemnify in amounts sufficient to repair the Airport System for loss, but not less than the aggregate

Principal amount of the Bonds Outstanding, to the extent that such insurance is obtainable..... 30

Section 6.11 Special Facilities and Special Facility Obligations. The Authority may, from time to time, and subject to the terms and conditions of this Section, (a) designate a separately identifiable existing facility or improvement or planned facility or improvement as a “Special Facility,” (b) incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing or refinancing to a third party to acquire, construct, renovate or improve, such facility or improvement, without a pledge of any Net Revenues (except as otherwise provided in clause (c) of the succeeding paragraph), (c) provide that the contractual payments derived from or related to such Special Facility, together with other income and revenues available to the Authority from such Special Facility to the extent necessary to pay debt service on the Special Facility Obligations, to pay all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and to make all required sinking fund, reserve or other payments as the same become due, be “Special Facilities Revenue” and not included as Revenues or Net Revenues unless otherwise provided in a Supplemental Indenture, and (d) provide that the debt so incurred is a “Special Facility Obligation.” Special Facility Obligations may not be issued under this Indenture. 31

Section 6.12 Compliance With Conditions Precedent. On the date of issuance of any of the Bonds, all conditions, acts and things required by law or by this Indenture to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds exist, have happened and have been performed and such Bonds, together with all other indebtedness of the Authority, are within every debt and other limit prescribed by law. 31

Section 6.13 Liens or Charges. The Authority may create or permit to be created a lien on the Airport System in order to secure the issuance of Other Indebtedness as long as the Finance Director certifies at the time of the creation of the lien that (1) loss of the property secured by the lien will not materially adversely affect the ability of the Authority to meet its financial obligations under this Indenture, including the ability of the Authority to meet its Rate Covenant and (2) the current value of all parts of the Airport System subject to a lien securing Other Indebtedness, including property which may be added to the Airport System as a result of issuance of the proposed Other Indebtedness, does not exceed 20% of the current value of the Airport System’ tangible assets. The Authority will not otherwise create or permit to be created any lien or charge on the Airport System. The Authority will pay or cause to be discharged or make provisions to satisfy and discharge, within 60 days after the same accrues, all claims and demands for labor, materials, supplies or other items which, if unpaid, might by law become a lien on the Airport System or the Revenues on a parity with the lien of the Bonds, except for the liens permitted by this Section. The Authority need not pay or cause to be discharged or make provision for any lien or charge as long as the validity thereof is being contested in good faith by appropriate legal proceedings. 31

Section 6.14 Covenant to Obtain Permits. No approval or consent is required from any governmental authority with respect to the entering into or performance by the Authority of this Indenture and the performance by the Authority of the transactions contemplated by this Indenture, except certain approvals and consents relating to certain extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for, the Airport System, and if such approvals are required, will be duly obtained..... 32

Section 6.15	Waiver of Laws. The Authority will not at any time insist on or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension of law now or at any time hereafter in force which may affect the covenants and agreements contained in this Indenture or in the Bonds and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority.....	32
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Section 6.18	Assignment or other Transfer of Assets. The assets constituting the Airport System may be assigned, sold, mortgaged, leased or otherwise disposed of, in whole, to another political subdivision or public agency of the State authorized by law to own and operate such systems only if there is filed with the Trustee (1) a report prepared by a Consultant showing that there is no material adverse effect on the ability of the Airport System to produce Revenues to satisfy the Rate Covenant, (2) written evidence from any rating agency then rating the Bonds that such sale will not adversely affect its rating of the Bonds and, (3) evidence satisfactory to the Trustee that such political subdivision is assuming all of the obligations of the Authority under this Indenture.	33
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notation, by endorsement or otherwise, in a form approved by the Authority and the Trustee, as to such action. On any transfer or exchange of any Bond Outstanding at such effective date or on demand of the Owner of any Bond Outstanding at such effective date and presentation of such Bond, the Trustee will make suitable notation as to such action on such Bond or on any Bond issued on any such transfer or exchange. If the Authority or the Trustee will so determine, new Bonds modified to conform to such action in the opinion of the Trustee and the Authority will be prepared, executed and delivered, and on demand of any Owner will be exchanged, without cost to such Owner, on surrender of such Outstanding Bond..... 36

Section 7.7 Consents of Initial Purchasers, Underwriters and Remarketing Agents. Notwithstanding anything in this Indenture to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any Bonds may, regardless of its intent to sell or distribute such Bonds in the future, consent as the Owner of such Bonds to any amendment or Supplemental Indenture as required or permitted by this Indenture, including any amendment or Supplemental Indenture that adversely affects the interests of other Owners, and (2) any such holder providing its consent under this Section is not entitled to receive, nor is the Authority required to provide, any prior notice or other documentation regarding such amendment or Supplemental Indenture. 36

ARTICLE VIII CONCERNING THE FIDUCIARIES 38

Section 8.1 The Trust. The Trustee agrees to hold in trust, for the benefit of the Owners, all property conveyed or delivered to it under this Indenture and all Funds and Accounts and the money or Investment Securities held therein. 38

Section 8.2 Responsibility of the Trustee. The statements of fact contained herein and in the Bonds will be taken as the statements of the Authority and the Trustee does not assume any responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds or coupons issued hereunder or in respect of the security afforded hereby, and the Trustee will not incur any responsibility in respect thereof. The Trustee will not be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any money paid to the Authority. None of the provisions of this Indenture require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it has reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. Before taking any action under this Indenture relating to an Event of Default or in connection with its duties under this Indenture, other than making payments of principal and interest on the Bonds as they become due or causing an acceleration of the Bonds whenever required by the Indenture, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all costs and expenses to which it may be put (including attorney’s fees, costs and expenses) and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken..... 38

Section 8.3 Evidence on Which Trustee May Act. The Trustee will conclusively rely on and will be fully protected in acting on any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine, and to have been signed or presented by the proper

party or parties. The Trustee may consult with counsel, who may be counsel to the Authority, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever the Trustee deems it necessary or desirable that a matter be proved or established before taking or suffering any action hereunder, including payment of money out of any Fund or Account, such matter (unless other evidence in respect thereof is specifically prescribed herein) may be deemed to be conclusively proved and established by a Certificate signed by a Authority Representative, and such Certificate will be full warrant for any action taken or suffered in good faith thereon, but in its sole discretion the Trustee may in lieu thereon accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to the Trustee will be sufficiently executed if executed in the name of the Authority by a Authority Representative..... 39

Section 8.4 Compensation; Indemnification. The Authority will pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, counsel fees, costs and expenses and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Indenture, and, the Trustee will have a lien therefor on any and all Funds at any time held by it under this Indenture. To the extent allowed by law, the Authority further agrees to indemnify and save the Trustee and its officers, directors and employees harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or willful misconduct. The indemnifications provided herein survive the termination of this Indenture or the sooner resignation or removal of the Trustee. 39

Section 8.5 Permitted Acts and Functions. The Trustee may become the Owner of any Bonds, with the same rights it would have if it were not the Trustee. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee represents the Owners of a majority in aggregate Principal amount of the Bonds Outstanding. The Trustee may be an underwriter in connection with the sale of the Bonds or of any other securities offered or issued by the Authority. The Trustee may not serve as the provider of any financial guaranty instrument under this Indenture or any Series Indenture. 39

Section 8.6 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than 60 days' written notice to the Authority and such resignation will take effect on the appointment of a successor Trustee as provided in Section 8.8..... 40

Section 8.7 Removal of Trustee..... 40

Section 8.8 Appointment of Successor Trustee..... 40

Section 8.9 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture will execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and such successor Trustee, without any further act, deed or conveyance, will then become fully vested with all money, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee. The Trustee ceasing to act will nevertheless, on the

reasonable written request of the Authority or of its successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and will pay over, assign and deliver to its successor Trustee at the Authority's expense. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing will, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority at the Authority's expense. On the effectiveness of the resignation or removal of the Trustee, such Trustee's authority to act pursuant to this Indenture will terminate and such Trustee will have no further responsibility or liability whatsoever for performance of this Indenture as Trustee, except for an act or omission occurring before the effective date of the resignation or removal. 40

Section 8.10 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it is a party or any company to which the Trustee sells or transfers all or substantially all of its corporate trust business, provided such company is a trust company or bank which is qualified to be a successor to the Trustee under Section 8.8 and is authorized by law to perform all the duties imposed on it by this Indenture, will be the successor to the Trustee without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding..... 41

Section 8.11 Appointment of Paying Agent. Unless a different or additional Paying Agent is appointed in a Series Indenture with respect to a Series of Bonds, the Trustee will serve as Paying Agent for the Bonds. Any Paying Agent other than the Trustee will designate its principal office to the Authority and the Trustee and signify its acceptance of the duties and obligations imposed on it hereunder by a written instrument of acceptance delivered to the Trustee and the Authority. The Authority will cooperate with the Trustee and any Paying Agent to cause the necessary arrangements to be made and to be thereafter continued whereby funds derived from the sources specified herein will be made available to the Paying Agent for the payment when due of the Bonds. 41

Section 8.12 Qualifications of Paying Agent; Resignation; Removal. Any Paying Agent other than the Trustee must be a commercial bank or trust company, duly organized under the laws of the United States of America or any state or territory thereof, having at the time of appointment a combined capital stock, surplus and undivided profits of at least \$100,000,000 and authorized by law to perform all the duties imposed on it by this Indenture. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days notice to the Authority and the Trustee. Any Paying Agent may be removed at any time at the direction of the Authority, by an instrument signed by the Authority and filed with the Paying Agent and the Trustee. Any Paying Agent will automatically be deemed removed if it is dissolved or its property or affairs are taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency..... 41

Section 8.13 Several Capacities. Anything in this Indenture to the contrary notwithstanding, the same entity may serve hereunder as the Trustee, the Paying Agent, the provider of a Credit Facility and remarketing agent and in any other combination of such capacities, to the extent permitted by law; provided, however,

that the following conditions and requirements shall apply in any case where the same entity simultaneously acts as the Trustee and the provider of the Credit Facility (the “Trustee/Credit Issuer Institution”): 42

Section 8.14 Appointment of Co-Trustee. In case of litigation under this Indenture or the enforcement hereof on an Event of Default, or if the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, the Trustee may appoint an additional institution as a separate or Co-Trustee, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto will be exercisable by and vest in such separate or Co-Trustee, but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee will run to and be enforceable by either of them. 42

Section 8.15 Certain Representations of the Trustee. 43

ARTICLE IX DEFAULTS AND REMEDIES..... 44

Section 9.1 Events of Default. If any of the following events occur, it is hereby defined and deemed an “Event of Default” under this Indenture: 44

Section 9.2 Remedies on Default..... 44

Section 9.3 Priority of Payments After Default..... 46

Section 9.4 Termination of Proceedings. If any proceedings taken by the Trustee on account of any Event of Default have been discontinued or abandoned for any reason, the Authority, the Trustee and the Owners will be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers, and duties of the Trustee will continue as though no such proceeding had been taken..... 47

Section 9.5 Owners’ Right to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate Principal amount of the Bonds Outstanding will have the right, at any time, to the extent permitted by law, by instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction may not be otherwise than in accordance with the provisions of this Indenture. The Trustee will not be required to act on any direction given to it pursuant to this Section until the indemnity described in Section 8.2 is furnished to it by such Owners. 47

Section 9.6 Limitation on Rights of Owners. 47

Section 9.7 Possession of Bonds by Trustee Not Required. All rights of action under this Indenture or under any of the Bonds enforceable by the Trustee may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee will be brought in its name for the benefit of all the Owners of such Bonds, subject to the provisions of this Indenture. 48

Section 9.8 Remedies Not Exclusive. No remedy herein conferred on or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy will be cumulative and will be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute..... 48

Section 9.9	No Waiver of Default. No delay or omission of the Trustee or of any Owner to exercise any right or power will be construed to be a waiver of any such default or any acquiescence therein and every power and remedy given by this Indenture to the Trustee and any Owner, respectively, may be exercised from time to time and as often as may be deemed expedient.	48
Section 9.10	Notice of Event of Default. The Trustee will give to the Owners and the LGC notice of each Event of Default hereunder known to the Trustee within 90 days after actual knowledge of the occurrence thereof, unless such Event of Default has been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the Principal or Redemption Price of or interest on any of the Bonds, or in the making of any payment required to be made into the Debt Service Fund, notice will be given immediately after its occurrence. Each such notice of an Event of Default will be given by the Trustee by mailing written notice thereof (1) to all Owners appearing on the registration books maintained by the Trustee and (2) to such other persons as is required by law.	48
Section 9.11	Subordination of Claims for Interest. No claim for interest appertaining to any of the Bonds which in any way at or after maturity has been transferred or pledged separate and apart from the Bond to which it appertains will, unless accompanied by such Bond, be entitled, in case of an Event of Default hereunder, to any benefit by or from this Indenture, except after the prior payment in full of the Principal of all of the Bonds then due and of all claims for interest then due not so transferred or pledged.	48
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Section 11.1	Evidence of Signature of Owners and Ownership of Bonds. Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and will be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Bonds will be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:.....	50
Section 11.2	Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or will be construed to confer on, or to give to any person other than the Authority, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority or the Trustee will be for the sole and exclusive benefit of the Authority, the Trustee and the Owners.	50
Section 11.3	Titles, Headings, Captions, Etc. The titles, captions and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and will in no way modify or restrict any of the terms or provisions hereof.	50
Section 11.4	Severability. If any provision of this Indenture is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.	50
Section 11.5	Governing Law. This Indenture will be governed and construed in accordance with the laws of the State, without regard to conflict of law principles.....	50

Section 11.6 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument..... 50

Section 11.7 Notices. All notices, certificates or other communications will be sufficiently given and will be deemed given when delivered or mailed by certified or registered mail, postage prepaid, as follows: if to the Authority, to the Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732, Attention: Director of Finance; if to the LGC, to the North Carolina Local Government Commission, 3200 Atlantic Avenue, Longleaf Building, Raleigh, North Carolina 27604, Attention: Secretary; if to the Trustee, to The Bank of New York Mellon Trust Company, N.A., 10161 Centurion Parkway North, Jacksonville, Florida 32256, Attention: Corporate Trust Division; if any Series of the Bonds are rated by Moody's, then to Moody's Investors Service, 99 Church Street, New York, New York 10003; and if any Series of the Bonds are rated by S&P, then to Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., 55 Water Street, New York, New York 10041. The Authority and the Trustee, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent. 50

Section 11.8 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next day that is a Business Day with the same force and effect as if done on the nominal date provided in this Indenture. 51

Section 11.9 No Recourse Against Members, Officers or Employees of Authority or LGC. No recourse under, or on, any statement, obligation, covenant, or agreement contained in this Indenture, or in any Bond hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Authority or the LGC or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee, as such, of the Authority or the LGC, either directly or through the Authority for the payment for or to, the Authority or the LGC or any receiver of either of them, or for, or to, any Owner or otherwise, of any sum that may be due and unpaid on any such Bond. 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 such member, officer or employee, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Authority or the LGC or any receiver of either of them, or for, or to, any Owner of any sum that may remain due and unpaid on the Bonds hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the execution of this Indenture and the issuance of the Bonds..... 51

AMENDED AND RESTATED GENERAL TRUST INDENTURE

THIS AMENDED AND RESTATED GENERAL TRUST INDENTURE dated as of May 1, 2022 (together with any Supplemental Indentures, this “*Indenture*”), by and between the **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY** (the “*Authority*”), a body corporate and politic of the State of North Carolina and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, as trustee (the “*Trustee*”), acting through its corporate trust offices in Jacksonville, Florida, duly organized and existing under the laws of the United States of America, being authorized to accept and execute trusts of the character herein set out;

WITNESSETH:

WHEREAS, the existing Airport System (as hereinafter defined) currently provides air transportation and related services to the residents, businesses and other users located within Buncombe County and its surrounding areas;

WHEREAS, the Authority has heretofore entered into the General Trust Indenture, dated as of September 1, 2016 (the “*Original Indenture*”), between the Authority and the Trustee, for the purpose of issuing Bonds pursuant to the Act (hereinafter defined) and to apply the proceeds of the Bonds to finance or refinance the costs of extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the Airport System (as hereinafter defined);

WHEREAS, the Bonds issued under the Original Indenture are secured by a pledge of the Net Revenues (hereinafter defined) of the Airport System;

WHEREAS, pursuant to the Original Indenture, the Authority has heretofore issued its \$15,750,000 Airport System Revenue Bond, Series 2016A, \$14,990,000 of which is currently Outstanding, and its \$5,250,000 Taxable Airport System Revenue Bond, Series 2016B, which is no longer Outstanding;

WHEREAS, in connection with the issuance of the Authority’s \$_____ Airport System Revenue Bonds (AMT), Series 2022A (the “*2022A Bonds*”) pursuant to the Original Indenture and Series Indenture, Number 2, dated as of May 1, 2022, between the Authority and the Trustee, the first purchasers of said 2022A Bonds have consented to the amendment of the Original Indenture as provided herein; and

WHEREAS, the 2022A Bonds constitute a majority of the Bonds now issued and Outstanding under the Original Indenture;

NOW, THEREFORE, the Authority and the Trustee agree as follows, each for the benefit of the other and/or the benefit of holders of the Bonds secured by this Indenture that the Original Indenture is hereby amended and restated to read as follows:

GRANTING CLAUSES

In order to secure the payment of the Principal of and Interest and premium, if any, on the Bonds to be issued under this Indenture according to their tenor, purport and effect, and in order to secure the performance and observance of all the covenants and conditions contained herein and in the Bonds and in order to declare the terms and conditions on which the Bonds are issued, authenticated, delivered, secured and accepted by all persons who from time to time be or become Owners thereof, and for and in

consideration of the mutual covenants herein contained, of the acceptance by the Trustee of the trust hereby created, and the purchase and acceptance of the Bonds by the Owners or obligees thereof, the Authority has executed and delivered this Indenture, and by these presents does hereby assign and pledge to the Trustee, its successors in trust and its assigns forever, to the extent provided in this Indenture:

I.

All Net Revenues of the Airport System.

II.

All money and securities held by the Trustee, the Authority or any other depositories in any and all of the funds and accounts established under this Indenture, except the Airport System Operating Fund, the PFC Revenue Fund and the Surplus Fund.

III.

Any additional property that may, from time to time hereafter, by delivery or by writing of any kind, be subjected to the lien hereof, by the Authority or by anyone on its behalf, and the Trustee is hereby authorized to receive the same at any time as additional security hereunder. This Indenture does not convey, mortgage, pledge or create any lien on any real estate or tangible personal property owned by the Authority or on any revenues of the Authority other than the Net Revenues.

TO HAVE AND TO HOLD, all and singular, the Trust Estate, including all additional property which by the terms hereof has or may become subject to the encumbrance of this Indenture, unto the Trustee and its successors and assigns forever.

BUT IN TRUST NEVERTHELESS, on the terms and trusts herein set forth, for the equal and proportionate benefit and security of the Bonds issued and to be issued hereunder and secured by this Indenture, without preference, priority or distinction as to participation in the lien, benefit and protection hereof of any one Bond over any other for any reason whatsoever (except as expressly provided in this Indenture), so that each and all such Bonds has the same right, lien and privilege under this Indenture and is equally secured hereby, with the same effect as if the same had all been made, issued and negotiated simultaneously with the delivery hereof.

PROVIDED, HOWEVER, and these presents are on the condition that, if the Authority pays, causes to be paid or provides for the payment to the Owners of the Bonds, the Principal, Interest and premium (if any) to become due in respect thereof at the times and in the manner stipulated therein, herein and in a Series Indenture relating thereto and keeps, performs and observes all and singular the covenants and agreements in such Bonds and in this Indenture expressed to be kept, performed and observed by or on the part of the Authority, then this Indenture and the rights hereby granted will cease, determine and be void and of no further force and effect, but will otherwise be and remain in full force and effect, and on the trust and subject to the covenants and conditions hereinafter set forth.

It is hereby mutually covenanted and agreed that the terms and conditions on which the Bonds are to be issued, authenticated, delivered, secured and accepted by all persons who from time to time be or become the Owners thereof are as follows:

ARTICLE I
DEFINITIONS OF TERMS, CONSTRUCTION AND
CERTAIN GENERAL PROVISIONS

Section 1.1 Definitions. In this Indenture, the following words and terms will, unless the context otherwise requires, have the following meanings:

“*Account*” or “*Fund*” means one of the special funds or accounts created and established pursuant to Section 5.2.

“*Accountant*” means an individual or firm of independent certified public accountants as may be selected by the Authority and not unacceptable to the Trustee.

“*Accreted Value*” means (1) on a Compounding Date with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond at the date of delivery to the original purchasers thereof plus the interest accrued on such Capital Appreciation Bond from such date to that Compounding Date as shown in the Series Indenture under which it is issued, or (2) as of any date of computation with respect to any Capital Appreciation Bond, an amount equal to the principal amount of such Capital Appreciation Bond at the date of delivery to the original purchasers thereof plus the interest accrued on such Capital Appreciation Bond from such date to the date of computation, calculated based on the assumption that Accreted Value as shown in the Series Indenture under which it is issued accrues during any period in equal daily amounts on the basis of a year of 360 days consisting of twelve months of thirty days each.

“*Act*” means, collectively, (1) Chapter 121 of the 2012 North Carolina Session Laws, as amended by Chapter 52 of the 2014 North Carolina Session Laws, and (2) The State and Local Government Revenue Bond Act, General Statutes of North Carolina Section 159-80 *et seq.*, and as either may hereafter be amended.

“*Aggregate Annual Debt Service*” mean for any Fiscal Year, the aggregate amount of Annual Debt Service on all Outstanding Bonds and, if applicable, Bonds proposed to be issued.

“*Aggregate Annual Debt Service for Other Indebtedness*” means, with respect to any particular Fiscal Year, an amount equal to the sum of all payment obligations with respect to Other Indebtedness during such Fiscal Year, excluding any capitalized interest payable from the proceeds of Other Indebtedness. If the payment obligation under any Other Indebtedness is stated in terms of principal and interest, such principal and interest will be computed for purposes of this definition in the manner in which the Principal Installments and Interest on the Bonds is calculated under the definition of “*Aggregate Annual Debt Service.*”

“*Aggregate Annual Debt Service for Subordinate Indebtedness*” means, with respect to any particular Fiscal Year, an amount equal to the sum of (1) all interest payable on Subordinate Indebtedness during such Fiscal Year excluding any capitalized interest payable from the proceeds of Subordinate Indebtedness, plus (2) any principal of Subordinate Indebtedness payable during such Fiscal Year. Principal and interest for purposes of this definition will be computed in the manner in which the Principal Installments and Interest on the Bonds is calculated under the definition of “*Aggregate Annual Debt Service.*”

“*Airport System*” means the Asheville Regional Airport, located in Henderson and Buncombe Counties, North Carolina, including all related and ancillary facilities whether or not directly related to the air transportation of people and goods, and any other airport hereafter owned and operated by the Authority and designated as part of the Airport System in a Supplemental Indenture.

“*Airport System Operating Fund*” means the Fund so designated and established pursuant to Section 5.2.

“*Annual Budget*” means the annual budget approved by the Authority concerning the operation of the Airport System for each Fiscal Year.

“*Annual Debt Service*” means, with respect to any Bond, the aggregate amount of Principal, Interest and such other amounts becoming due and payable during a Fiscal Year. For the purpose of this definition, the Principal and interest payable on July 1 is to be deemed to be payable in the Fiscal Year ending on the immediately preceding June 30. For each Series of Outstanding Bonds, and, if applicable, any Series of Bonds proposed to be issued, Annual Debt Service is to be computed using the principles and assumptions set forth below:

(a) In determining the amount of Principal due in each Fiscal Year, except to the extent that another subparagraph of this definition applies, payment will be assumed to be made on Outstanding Bonds or on Bonds proposed to be issued in accordance with any principal maturity or amortization schedule established by the related Series Indenture, setting forth the terms of such Bonds, including, as a principal payment, the Accreted Value of any Capital Appreciation Bonds or Original Issue Discount Bonds maturing or scheduled for redemption in such Fiscal Year. In determining the amount of Interest due in each Fiscal Year, except to the extent subparagraphs (b), (c) or (d) of this definition apply, (1) Interest payable at a fixed rate will be assumed to be made at such fixed rate and on the required payment dates and (2) the interest rate to be used for Variable Rate Indebtedness that has been Outstanding for at least 12 months will be the average rate over the 12 months immediately preceding the date of calculation, or for Variable Rate Indebtedness that has been Outstanding fewer than 12 months, the interest rate to be used will be the actual rate on the date of calculation, or, for Variable Rate Indebtedness proposed to be issued, the interest rate to be used for such computation will be determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest that is or is not excluded from gross income for federal income tax purposes and that is or is not subject to any alternative minimum tax.

For the purpose of verifying compliance with the rate covenant contained in Section 6.6 hereof, Variable Rate Indebtedness will be deemed to bear interest at the actual rate or rates borne during any applicable Fiscal Year.

(b) Each maturity of a Series of Bonds that constitutes Balloon Indebtedness will be treated as if it were to be amortized over a term of not more than 30 years and with substantially level annual debt service payments commencing not later than the year following the year in which such Balloon Indebtedness was issued, and extending not later than 30 years from the date such Balloon Indebtedness was originally issued. For fixed rate obligations, the interest rate used for such computation will be the applicable fixed rates. For Balloon Indebtedness that also constitutes Variable Rate Indebtedness, the interest rate used for such computation will be determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest that is or is not excluded from gross income for federal income tax purposes and that is or is not subject to any alternative minimum tax.

(c) Notwithstanding subparagraph (b) above, if any stated maturity date of Bonds that constitute Balloon Indebtedness occurs within 12 months from the date of the calculation of Annual Debt Service, the principal amount maturing will be assumed to become due and payable

on the stated maturity date unless there is delivered a certificate of an Authorized Authority Representative stating that (1) the Authority intends to refinance such maturity and (2) the probable terms of such refinancing. On delivery of such certificate, such Balloon Indebtedness will be assumed to be refinanced, and Annual Debt Service will be calculated, in accordance with the probable terms set out in such certificate, except that such assumption will not result in an interest rate lower than that which would be assumed under subparagraph (b) above and such Balloon Indebtedness will be amortized over a term of not more than 3 years from the date of refinancing.

(d) If any Outstanding Bonds or any Bonds that are then proposed to be issued constitute Tender Indebtedness, then Tender Indebtedness will be treated as if the principal amount of such Bonds were to be amortized over a term of not more than 30 years from the date such Tender Indebtedness was originally issued, except that if any principal maturity or amortization schedule is set forth in a Series Indenture, such schedule will be used to determine the principal maturity or amortization of such Bonds. The interest rate used for such computation will be determined by a Consultant to be a reasonable market rate for fixed-rate Bonds of a corresponding term issued under this Indenture on the date of such calculation, with no credit enhancement and taking into consideration whether such Bonds bear interest that is or is not excluded from gross income for federal income tax purposes and that is or is not subject to any alternative minimum tax. For all principal and interest payments becoming due before the year in which such Tender Indebtedness is first subject to tender, such payments will be treated as described in the other applicable subparagraphs of this definition.

(e) With respect to any Interim Indebtedness, it will be assumed that the principal amount of the Interim Indebtedness will be continuously refinanced and will remain Outstanding until the first Fiscal Year for which interest on the Interim Indebtedness has not been capitalized or otherwise funded or provided for. For such first Fiscal Year, it will be assumed that (1) the Outstanding principal amount of the Interim Indebtedness will be refinanced with a series of additional Bonds that will be amortized over a period not to exceed 30 years in such manner as will cause the maximum annual debt service payments applicable to such Series in any 12-month period not to exceed 110% of the minimum annual debt service payments applicable to such Series for any other 12-month period, and (2) the Series of additional Bonds will bear interest at a fixed interest rate estimated by a Consultant to be the interest rate such Series of additional Bonds would bear if issued on such terms on the date of such estimate.

(f) If collected Passenger Facility Charges or federal or state grants are actually applied to pay Principal or Interest on Bonds in a Fiscal Year, or if Passenger Facility Charges or federal or state grants have been irrevocably committed to be used to pay Principal or Interest in a future Fiscal Year, then the Principal and/or Interest actually paid in the Fiscal Year or to be paid in the future Fiscal Year from such Passenger Facility Charges or federal or state grants or from earnings thereon shall be disregarded (unless such amounts are included as Revenues as described in the definition of Revenues) and not included in calculating Annual Debt Service or Aggregate Annual Debt Service.

(g) If moneys or Investment Securities have been irrevocably deposited with and are held by the Trustee or another fiduciary or Capitalized Interest has been set aside exclusively to be used to pay principal and/or interest on specified Bonds, then the principal and/or interest to be paid from such moneys, Investment Earnings, or Capitalized Interest or from the earnings thereon shall be disregarded and not included in calculating Annual Debt Service or Aggregate Annual Debt Service.

(h) With respect to any Bonds which are incurred or issued as direct subsidy bonds pursuant to the Code, any subsidy payments received from the United States with respect to such Bonds should be credited against the Interest paid on such Bonds, but only to the extent deposited in any account or subaccount of the Debt Service Fund or otherwise used to pay Interest on Bonds, and with respect to new Bonds proposed to be incurred or issued as direct subsidy bonds pursuant to program established under the Code, the assumed interest rate for such Bonds shall be determined by subtracting the applicable direct subsidy percentage from the stated interest rate, but only to the extent that the Authority is or will be required to deposit the interest subsidy payments in any account or subaccount of the Debt Service Fund or to otherwise use such payments to pay interest on the Bonds.

“Approved PFC Projects” means any additions, betterments, extensions, other improvements of or related to the Airport or other costs incurred for any purpose at or related to the Airport from time to time (whether or not located at the Airport), including, without limitation, the acquisition of land, all of which have been authorized by the FAA in a Record of Decision or Final Agency Decision (or comparable decision named in accordance with then-current FAA terminology), and will constitute an *“Approved Project,”* as such term is defined in the PFC Regulations.

“Authority” means the Greater Asheville Regional Airport Authority as the governing body for the Airport, or any successor thereto or any assignee thereof under Section 6.17.

“Authenticating Agent” means an entity appointed in a Series Indenture to act as a Paying Agent for a Series of Bonds.

“Authorized Authority Representative” means the Executive Director, the Finance Director, or such other officer or employee of the Authority or other person which other officer, employee or person has been designated by the Executive Director as an Authorized Authority Representative in a certificate filed with the Trustee with specimen signatures.

“Average Aggregate Annual Debt Service” means the Aggregate Annual Debt Service of any Outstanding Bonds, proposed Series of Bonds, or other obligations, as applicable, to become due from the date of computation to the date of maturity of the last of such Outstanding Bonds, proposed Series of Bonds, or other obligations, divided by the number of years from the date of computation to the date of maturity of the last of such Outstanding Bonds, proposed Series of Bonds, or other obligations.

“Balloon Indebtedness” means all or any portion of a Series of Bonds, 25% or more of the initial principal amount of which matures on the same date or within such Fiscal Year. For purposes of this definition, the principal amount maturing on any date is to be reduced by the amount of such Bonds scheduled to be amortized by prepayment or redemption before their stated maturity date.

“Bond” means one of the obligations delivered pursuant to this Indenture, including, but not limited to, bonds, notes, bond anticipation notes, and other instruments creating an indebtedness of the Authority issued under a Series Indenture.

“Bond Counsel” means an attorney or firm of attorneys of nationally recognized standing in the field of law relating to municipal, state and public agency financing, selected by the Authority and not unacceptable to the Trustee.

“Business Day” means any day other than (a) a day on which banking institutions in New York, New York, or in the State or in the cities in which the Trustee or the Paying Agent have their respective principal offices are authorized to close or (b) a day on which the New York Stock Exchange is closed.

“*Capital Appreciation Bonds*” means any Bonds, however denominated in the related Series Indenture, as to which interest is compounded periodically on each Compounding Date and which are payable in an amount equal to the then-current Accreted Value only at maturity, earlier redemption or other payment date therefor.

“*Capitalized Interest*” means the amount of interest on Bonds, if any, funded from the proceeds of the Bonds or other money that is deposited with the Trustee in a Debt Service Account as described in a Series Indenture on issuance of Bonds, to be used to pay interest on the corresponding Series of the Bonds.

“*Certificate*” means (1) a signed document either attesting to or acknowledging the circumstances, representations or other matters therein stated or set forth or setting forth matters to be determined pursuant to this Indenture or (2) the report of an Accountant as to audit or other procedures called for by this Indenture.

“*CFC Resolution*” means the resolution adopted by the predecessor of the Authority on December 10, 2010 and readopted by the Board on August 5, 2016, as the same may be amended, which authorized the collection of a Customer Facility Charge from customers of automobile rental companies as provided therein.

“*CFC*” or “*Customer Facility Charges*” means all amounts received by the Authority from the payment of the Customer Facility Charge established by the CFC Resolution.

“*Code*” means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein will be deemed to include the United States Treasury Regulations in effect with respect thereto.

“*Compounding Date*” means, with respect to any Capital Appreciation Bond, the dates set forth in the Series Indenture under which it is issued.

“*Construction Fund*” means the Fund so designated and established under Section 5.2.

“*Consultant*” means any Independent consultant, consulting firm, engineer, architect, engineering firm, architectural firm, Accountant or accounting firm, financial advisory or investment banking firm, or other expert qualified for work of the character required, as determined by an Authorized Authority Representative, and retained by the Authority to perform acts and carry out the duties provided for such consultant in this Indenture or in a Series Indenture.

“*Costs of Construction*” means the costs reasonably incurred in connection with the Airport System, including but not limited to the costs of (1) acquisition of all property, real or personal, tangible or intangible, and all interests in connection therewith including all rights-of-way and easements therefor, (2) physical construction, installation and testing, including the costs of labor, services, materials, supplies and utility services used in connection therewith, (3) architectural, engineering, legal, financial advisory and other professional services, (4) premiums for insurance policies taken out and maintained during construction, to the extent not paid for by a contractor for construction and installation, (5) any taxes, assessments or other charges which become due during construction, (6) expenses incurred by the Authority or on its behalf with its approval in seeking to enforce any remedy against any contractor or sub-contractor in respect of any default under a contract relating to construction, (7) Costs of Issuance, (8) Interest on the Bonds during the construction of any portion of the Airport System, (9) miscellaneous expenses incidental thereto and (10) reimbursements of such Costs of Construction properly incurred before the issuance of the Bonds.

“*Costs of Issuance*” means all items of expense, directly or indirectly payable by or reimbursable to the Authority, related to the authorization, sale and issuance of Bonds.

“*Credit Facility*” shall mean a policy of municipal bond insurance, a letter of credit, surety bond, line of credit, guarantee, standby purchase agreement, Qualified Reserve Fund Substitute or other financial instrument which obligates a third party to make payment of or provide funds to the Trustee for the payment of the principal of and/or interest on or the purchase price of Bonds whether such obligation is to pay in the first instance and seek reimbursement or to pay only if the Authority fails to do so.

“*Credit Provider*” shall mean the party obligated to make payment of principal of and/or interest on or the purchase price of the Bonds under a Credit Facility. If and to the extent permitted by law and with the prior approval of the Local Government Commission (unless all Outstanding Bonds have received a rating of AA or better by at least one of the Rating Agencies the Authority has asked to maintain a rating, in which case such approval of the Local Government Commission shall not be required), the Authority may be a Credit Provider only for the purpose of providing liquidity support.

“*Current Expenses*” means the current expenses of operation, maintenance and current repair of the Airport System, as calculated in accordance with generally accepted accounting principles except as otherwise provided herein, and includes, without limiting the generality of the foregoing: insurance premiums; any rebate required to be paid to the United States Government; fees and expenses of the Trustee and any Paying Agent; fees and expenses of any entity providing credit support or liquidity for any Series of the Bonds; administrative and engineering expenses of the Authority relating solely to the Airport System; labor; executive compensation; the cost of materials and supplies used for current operations; and charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred as determined by the Authority in accordance with generally accepted accounting principles except as otherwise provided herein. “*Current Expenses*” will not include (1) any allowance for depreciation or replacements of capital assets of the Airport System, (2) money payable as Interest and as interest on Subordinate Indebtedness or Other Indebtedness, (3) money deposited or transferred to the Reserve Fund pursuant to the applicable Series Indenture, (4) any loss from extinguishment of debt or the sale, exchange or other disposition of capital assets, (5) any accrued expenses for other post-retirement benefits not resulting in (i) payments of such benefits to current or future retired employees or (ii) deposits of funds into an irrevocable trust for the purpose of making future payments of such benefits to current or future retired employees and (6) for purposes of compliance with Sections 6.6 and 6.8 hereof, any current expenses of operation, maintenance and current repair of the Airport System to the extent actually paid from federal or state grants awarded for such any such purpose and not constituting Revenues.

“*Debt Service Fund*” means the Fund so designated and established by Section 5.2.

“*Derivative Agreement*” means an interest rate swap, cap, collar, floor, forward, option, put, call or other similar agreement however denominated, relating to the Bonds.

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

“*Event of Default*” means any of the events specified in Section 9.1 together with any other events specified as such in a Series Indenture.

“*FAA*” mean the Federal Aviation Administration, or the successor to its powers and authority.

“*Federal Securities*” means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged; (b) obligations issued by any agency controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of and interest on which is fully guaranteed as full faith and credit obligations of the United States of America (including any securities described in (a) or (b) issued or held in the name of the Trustee in book-entry form on the books of the Department of Treasury of the United States of America), which obligations, in either case, are held in the name of the Trustee and are not subject to redemption or purchase before maturity at the option of anyone other than the Owner; (c) any bonds or other obligations of the State or of any agency, instrumentality or local governmental unit of the State (i) which are not callable before maturity or (ii) as to which irrevocable instructions have been given to the trustee or escrow agent of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified, and which are rated by Moody’s, if the Bonds are rated by Moody’s, and S&P, if the Bonds are rated by S&P within the highest rating category and which are secured as to principal, redemption premium, if any, and interest by a fund consisting only of cash or bonds or other obligations of the character described in clause (a) or (b) hereof which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; or (d) direct evidences of ownership of proportionate interests in future interest and principal payments on specified obligations described in (a) held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the underlying obligations described in (a), and which underlying obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated.

“*Final Agency Decision*” means a Final Agency Decision of the FAA relating to the Authority’s Approved PFC Projects as may be issued, modified or amended from time to time.

“*Finance Director*” means the Director of Finance of the Authority or any successor to his or her functions.

“*Fiscal Year*” means a 12-month period commencing on the first day of July of any year, or such other 12-month period adopted as the Fiscal Year of the Authority.

“*Fitch Ratings*” means Fitch, Inc., its successors and assigns, and, if such entity for any reason no longer performs the function of a securities rating agency, “*Fitch Ratings*” will refer to any other nationally recognized securities rating agency designated by the Finance Director of the Authority by notice to the Trustee, and acceptable to the LGC.

“*Independent*” means when used with respect to any specified firm or individual, such a firm or individual who (a) does not have any direct financial interest or any material indirect financial interest in the operations of the Authority, other than the payment to be received under a contract for services to be performed, and (b) is not connected with the Authority as an official, officer or employee.

“*Interest*” means (1) the amount designated as interest on any Bonds and (2) payments due from the Authority under a Derivative Agreement other than for the termination thereof.

“*Interest Payment Date*” means any date on which Interest is due and payable in accordance with the terms set forth with respect to each Series of Bond in the related Series Indenture or any other document executed and delivered by the Authority in accordance with this Indenture.

“*Interim Indebtedness*” means any Bond or Bonds (1) for or with respect to which no principal payments are required to be made other than on the maturity date thereof, which date may be no later than five years from the date of their delivery to their initial purchasers, and (2) which are authorized by a Series Indenture that declares the Authority’s intent, at the time of issuance, to refund or refinance all or a part of the same before or on such maturity date, including commercial paper, notes, and similar obligations.

“*Investment Securities*” means (1) Federal Securities or (2) any other investments (a) which at the time of investment are authorized investments under the investment policy of the Authority and (b) which are legal investments under Section 159-30 of the North Carolina General Statutes, as amended from time to time, or any successor statute.

“*LGC*” means the North Carolina Local Government Commission or any successor to its functions under the laws of the State or its designated representative.

“*Moody’s*” means Moody’s Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and their assigns, and, if such corporation for any reason no longer performs the functions of a securities rating agency, “*Moody’s*” will be deemed to refer to any other nationally recognized rating agency designated by the Finance Director of the Authority by notice to the Trustee, and acceptable to the LGC.

“*Net Revenues*” means the excess of Revenues over Current Expenses.

“*Original Issue Discount Bonds*” means Bonds which are sold at an initial public offering price of less than face value and which are specifically designated as Original Issue Discount Bonds in the Series Indenture under which such Bonds are issued.

“*Other Indebtedness*” means capital leases, installment financing agreements or other contracts used to provide capital improvements to the Airport System.

“*Outstanding*” means all Bonds which have been authenticated and delivered by the Trustee under this Indenture, except:

(a) Bonds canceled after purchase in the open market or because of payment (it being understood that a payment to an Owner of the purchase price of a Bond, as prescribed in the related Series Indenture, is not payment of a Bond) at or redemption before maturity or on acceleration;

(b) Bonds deemed paid under Article X;

(c) Bonds for the payment of the Principal of, redemption premium, if any, and interest on which Federal Securities have been irrevocably set aside; and

(d) Bonds in lieu of which other Bonds have been authenticated under Article III.

“*Owner*” means any person in whose name any Outstanding Bond is registered on the books of the Trustee.

“*Parity Reserve Account*” means the account in the Reserve Fund so designated and established pursuant to Section 5.2 and Section 5.7.

“Parity Reserve Requirement” means an amount, as of any time of calculation, equal to the lesser of (1) maximum Principal and Interest Requirements on the Bonds secured or to be secured by the Parity Reserve Account of the Reserve Fund, (2) 125% of the average annual Principal and Interest Requirements on the Bonds secured or to be secured by the Parity Reserve Account of the Reserve Fund, or (3) 10% of the then-Outstanding stated principal amount of all Series of the Bonds secured by the Parity Reserve Account of the Reserve Fund, provided, however, that if any Series of the Bonds secured by the Parity Reserve Account of the Reserve Fund has original issue discount or premium that exceeds 2% of the stated redemption price at maturity plus any original issue premium attributable exclusively to underwriter’s compensation, the initial offering prices to the public must be used in lieu of the stated principal amount for purposes of the 10% limitation (but in no event shall the amount of proceeds of a Series of Bonds used to fund a deposit to the Parity Reserve Account exceed 10% of the stated principal amount of such Series of Bonds).

“Paying Agent” means an entity appointed in a Series Indenture to act as a paying agent for a Series of Bonds.

“Person” means any individual, corporation, limited liability company, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“PFCs” or *“Passenger Facility Charges”* means charges collected by the Authority under the authority granted by the Aviation Safety and Capacity Expansion Act of 1990 Pub. L. 101-508, Title IX, Subtitle B, Sections 9110 and 9111, the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century, Pub. L. 106-181 and 14 CFR Part 158, all as amended from time to time, or any other applicable federal law, and by the Records of Decision or Final Agency Decisions (or comparable decision named in accordance with then-current FAA terminology), and interest earnings thereon net of amounts that collecting air carriers are entitled to retain for collecting, handling and remitting such passenger facility charge revenues.

“PFC Act” means the Aviation Safety and Capacity Expansion Act of 1990, Pub. L. 101-508, Title IX, Subtitle B, 9110 and 9111, recodified as 49 U.S. 40117, as modified by the Wendel H. Ford Aviation Investment and Reform Act for the 21st Century, Pub. L. 106-181 (*“AIR-21”*), as amended or replaced from time to time.

“PFC Regulations” means Part 158 of the Federal Aviation Regulations (14 CFR Part 158), as amended from time to time, and any other regulation issued with respect to the PFC Act.

“PFC Revenue Fund” means the Fund so designated and established pursuant to Section 5.2, to which Passenger Facility Charges shall be deposited and applied as provided in Section 5.2.

“Principal” means the principal amount of an Outstanding Bond (including as to Capital Appreciation Bonds, the Accreted Value thereof except with respect to the order of priority of payment of Bonds after an event of default under Section 9.1, in which case, *“Principal”* means the principal amount of such Capital Appreciation Bonds on their date of delivery and the balance of the Accreted Value will be *“Interest”*) payable as a Sinking Fund Payment or at maturity.

“Principal Installment” means, as of any date of calculation, (1) the aggregate Principal amount of Outstanding Bonds (including as to Capital Appreciation Bonds, the Accreted Value thereof) due on a certain future date, reduced by the aggregate Principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with this Indenture of Sinking Fund Payments payable before such future date, plus (2) any Sinking Fund Payments due on such certain future

date, together with the aggregate amount of the premiums, if any, applicable on such Sinking Fund Payments.

“Principal Payment Date” means any date on which Principal is due and payable.

“Qualified Reserve Fund Substitute” means a reserve fund insurance policy, surety bond, letter of credit or similar instrument issued by either a bond insurer or other entity that regularly issues such instruments, in either case having a long-term rating in one of the three highest rating categories (without regard to gradation within category) by Moody’s or S&P as of the date of issuance of such reserve fund insurance policy, surety bond, letter of credit or similar instrument, as so designated in a Series Indenture with respect to each Series of Bonds.

“Rate Covenant” means the Authority’s covenant under Section 6.6 to establish rates and charges for each Fiscal Year for the provision of services of the Airport System and to revise or cause to be revised the same, as necessary, as will produce (a) Revenues that are at least equal in such Fiscal Year to the total of (1) the Current Expenses budgeted for such Fiscal Year, as may be amended from time to time, plus (2) 100% of the Aggregate Annual Debt Service on the Bonds to become due during that Fiscal Year plus (3) 100% of the remaining deposits required by Section 5.3 and (b) Net Revenues, together with any Transfer, that are at least equal in such Fiscal Year to 125% of the Aggregate Annual Debt Service on the Bonds to become due during that Fiscal Year. For purposes of the Rate Covenant, the amount of any Transfer taken into account shall not exceed 25% of Aggregate Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

“Record of Decision” means a Record of Decision or Records of Decision of the FAA relating to the Authority’s Approved PFC Projects as may be issued, modified or amended from time to time.

“Redemption Price” means, with respect to any Bond, the Principal amount thereof plus the applicable premium, if any, and accrued interest payable on the redemption thereof.

“Reserve Fund” means the Fund so designated and established pursuant to Section 5.2.

“Reserve Requirement” means, as of any date of calculation, the Parity Reserve Requirement or the Series Reserve Requirement, as applicable.

“Revenues” means all rates, tolls, fees, rentals, or other charges or other money received by the Authority in connection with the ownership, management and operation of the Airport System, and all parts thereof, including Customer Facility Charges and amounts received from the investment of money in any Fund or Account (but not including amounts received from interest or other investment income earned in the Construction Fund and, during the construction period, the Reserve Fund), all as calculated in accordance with generally accepted accounting principles, but shall not include (1) net proceeds of insurance or condemnation awards or other extraordinary items, (2) any amounts collected by the Authority representing sales or use taxes which may be required by law or agreement to be paid to the State or a governmental unit thereof, (3) any interest rate subsidy received by the Authority from the United States Treasury pursuant to any section of the Code, (4) any proceeds or any gain or loss from extinguishment of debt or the sale, exchange or other disposition of capital assets, (5) any Transfer, (6) any Special Facilities Revenue or (7) any amounts otherwise included under this definition as Revenues but not permitted by law to be pledged hereunder. In addition, the following, including any investment earnings thereon, are specifically excluded from *“Revenues,”* unless designated as *“Revenues”* under the terms of a Series Indenture: (a) Passenger Facility Charges, (b) grants and other charges authorized on or after the date of this Indenture by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System or to pay debt service, (c) investment income derived from (1) any money or securities which may be placed in escrow or trust to defease Bonds or (2) an account in the

Construction Fund established by a Series Indenture unless otherwise specified in that Series Indenture, (d) any arbitrage earnings which are required to be paid to the U.S. Government pursuant to Section 148 of the Code and amounts held in a Rebate Fund and (e) Capitalized Interest.

“*S&P*” means Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business, its successors and their assigns, and, if such entity for any reason no longer performs the functions of a securities rating agency, “*S&P*” will be deemed to refer to any other nationally recognized securities rating agency designated by the Finance Director of the Authority by notice to the Trustee, and acceptable to the LGC.

“*Series of Bonds*” or “*Series*” means any series of Bonds issued hereunder pursuant to a Series Indenture.

“*Series Indenture*” means any indenture or other document supplementing this Indenture, executed by the Authority and effective in accordance with Article VII, providing for the issuance of a Series of Bonds.

“*Series Reserve Account*” means the account in the Reserve Fund so designated and established in Section 5.2 and 5.7 and any Series Indenture.

“*Series Reserve Requirement*” means, as of any date of calculation, the amount required to be on deposit in a Series Reserve Account as determined in the Series Indenture under which the Series of Bonds secured by that account in the Reserve Fund is issued.

“*Sinking Fund Payment*” means, as of any particular date of calculation, the amount required to be paid by the Authority on a certain future date for the retirement of Outstanding Bonds which mature after said future date, but does not include any amount payable by the Authority by reason of the maturity of a Bond or by call for redemption at the election of the Authority.

“*Special Facilities*” or “*Special Facility*” means a facility or group of facilities or improvements or category of facilities or improvements which are designated as a Special Facility under Section 6.11.

“*Special Facilities Revenue*” means the contractual payments and all other revenues (other than ground rentals relating to such Special Facility) derived by or available to the Authority from a Special Facility which are pledged to secure Special Facility Obligations. To the extent Passenger Facility Charges to be collected in the future have not been designated as “Revenues” or irrevocably committed to be used to pay debt service on Bonds, all or a portion of Passenger Facility Charges to be collected in the future may be designated as “Special Facility Revenue” and applied as provided in any indenture under which Special Facility Obligations are issued, including to secure payment of the Special Facility Obligations.

“*Special Facility Obligations*” means bonds or other debt instruments issued pursuant to a resolution other than this Indenture to finance Special Facilities and which, except as otherwise provided in Section 6.11, are not secured by nor payable from a lien on and pledge of the Net Revenues but which are secured by revenues derived from Special Facilities.

“*State*” means the State of North Carolina.

“*Subordinate Indebtedness*” means debt, the payment of the principal and interest on which is secured by a lien on Net Revenues that is subordinate to the lien on Net Revenues securing the payment of the Principal of and Interest on the Bonds.

“*Supplemental Indenture*” means any indenture supplemental to this Indenture delivered pursuant to Article VII hereof amending or supplementing this Indenture.

“*Surplus Fund*” means the fund so designated and established by Section 5.2.

“*Transfer*” shall mean an amount for each Fiscal Year for which the calculation is made that is the sum of the following amounts for the Airport System Operating Fund and Surplus Fund:

(1) Airport System Operating Fund: the amount in the Airport System Operating Fund on the first Business Day of the Fiscal Year that would be available to pay Current Expenses of the Authority or to make any required payments or deposits to pay or secure the payment of the principal, purchase price or redemption premium of and interest on the Outstanding Bonds, less any amounts credited to the Surplus Fund from the Airport System Operating Fund as of the last Business Day of such Fiscal Year;

(2) Surplus Fund: the amount, if any, in the Surplus Fund on the last Business Day of the Fiscal Year, plus any amounts withdrawn from the Surplus Fund during that Fiscal Year to pay Current Expenses of the Authority or to make any required payments or deposits to pay or secure the payment of the principal, purchase price or redemption premium of and interest on the Outstanding Bonds;

provided, however, that, for purposes of complying with the Rate Covenant or the additional Bonds covenant set forth in Section 6.8 hereof, the amount of any Transfer for a Fiscal Year shall not exceed 25% of Aggregate Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

“*Trustee*” means the Trustee with respect to the Bonds and any other person at any time substituted in its place as provided in Article VIII.

“*Trust Estate*” means all property and rights conveyed by the Authority under the Granting Clauses of this Indenture.

“*Variable Rate Indebtedness*” means any Bond or Bonds, the interest rate on which is not fixed to maturity at the time of calculation, or other relevant time.

Section 1.2 Interpretation. In this Indenture, unless the context otherwise requires:

(a) the terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms used in this Indenture refer to this Indenture, and the term “heretofore” means before, and the term “hereafter” means after the date of adoption of this Indenture;

(b) the words of the masculine gender mean and include correlative words of the feminine and neuter genders and words importing the singular number mean and include the plural number and vice versa.

(c) any references to Section and Article numbers refer to the Section and Article numbers contained herein unless the context clearly indicates otherwise.

[END OF ARTICLE I]

ARTICLE II TERMS OF BONDS

Section 2.1 Indenture to Constitute Contract; Parity Bonds. In consideration of the purchase and acceptance of the Bonds by those who hold the same from time to time, the provisions of this Indenture will be a part of the contract of the Authority with the Owners of Bonds and is deemed to be and constitutes a contract among the Authority, the Trustee and the Owners from time to time of the Bonds. The pledges and assignments made hereby and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Authority are for the equal benefit, protection and security of the Owners of any and all the Bonds, each of which, regardless of the time or times of its issue or maturity, will be of equal rank without preference, priority or distinction over any other thereof except as expressly provided in this Indenture.

Section 2.2 Special Obligations. The Bonds are special obligations of the Authority. The Principal of, premium, if any, and Interest on the Bonds are not payable from the general funds of the Authority, nor do they constitute a legal or equitable pledge, charge, lien or encumbrance on any of its property or on any of its income, receipts or revenues, except the Trust Estate pledged hereunder. Neither the credit nor the taxing power of the Authority are pledged for the payment of the Principal of the Bonds or Interest, and no Owner has the right to compel the exercise of the taxing power by the Authority or the forfeiture of any of its property in connection with any default on the Bonds.

Section 2.3 Authorization of Bonds. In order to provide sufficient funds to construct any expansion or improvement of the Airport System, to acquire property in connection therewith or to refund all or any principal amount of obligations issued therefor, Bonds of the Authority are hereby authorized to be issued hereunder, in one or more Series, pursuant to a Series Indenture, in accordance with the laws of the State.

Section 2.4 Conditions Precedent to Delivery of Bonds. The Bonds of each Series will be delivered on the receipt by the Trustee of:

(a) certified copies of the bond order and the resolution adopted by the Authority and approving this Indenture, the related Series Indenture and the transactions related to the Series of Bonds being issued;

(b) certified copies of this Indenture and the Series Indenture authorizing the Series of Bonds being issued;

(c) a Bond Counsel's opinion to the effect that (1) such Series Indenture has been duly and lawfully authorized, executed and delivered and is in full force and effect; (2) this Indenture and such Series Indenture have been duly and lawfully authorized, executed and delivered by the Authority and are valid and binding on, and enforceable against, the Authority (except to the extent that the enforceability thereof may be limited by the operation of bankruptcy, insolvency and similar laws affecting rights and remedies of creditors); (3) this Indenture creates the valid pledge which it purports to create of the Trust Estate for the purposes and on the conditions permitted by this Indenture; and (4) on the execution and delivery thereof, such Series of Bonds has been duly and validly authorized and issued in accordance with this Indenture;

(d) a request and authorization to the Trustee on behalf of the Authority to authenticate and deliver the Series of Bonds to the purchasers therein identified on

payment to the Trustee or otherwise as directed by the Trustee, for the account of the Authority, of a sum specified in such request and authorization;

(e) a written certificate from the Authority as to the amount of proceeds of the Series of Bonds being issued to be deposited into the various Funds specified in, and pursuant to, the related Series Indenture;

(f) evidence reasonably satisfactory to the Trustee that the Reserve Fund is equal to the Reserve Requirement, if any, after issuance of such Series of Bonds;

(g) a certificate stating that there has been no material adverse change in the general affairs, financial position, results of operations or condition, financial or otherwise, of the Authority and the Authority has not incurred liabilities that would materially affect the ability of the Authority to discharge its obligations under this Indenture or the applicable Series Indenture;

(h) except for the initial two series of Bonds, evidence of compliance with Section 6.8(e); and

(i) such additional documents and certificates as Bond Counsel or the Trustee may reasonably require.

[END OF ARTICLE II]

**ARTICLE III
GENERAL TERMS AND PROVISIONS OF BONDS**

Section 3.1 Provisions of a Series of Bonds. Each Series Indenture will include provisions concerning the medium and times of payment, denominations, forms, dates, redemption, purchase, registration, exchange, transfer, replacement, cancellation and execution of such Bonds.

Section 3.2 Legends. The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions of this Indenture as may be necessary or desirable to comply with custom, or otherwise.

Section 3.3 Books for Registration. Unless otherwise provided in a Series Indenture with respect to the related Series of the Bonds, so long as any Bonds are Outstanding, the Authority will cause to be maintained and kept, at a corporate trust office of the Trustee, books for the registration of Bonds. On presentation thereof for such purpose at said office by the Owner thereof or his duly authorized attorney, the Trustee will register, or cause to be registered in such books, any Bonds entitled to registration, under such reasonable regulations as the Trustee may prescribe.

Section 3.4 Transfer and Exchange of Bonds. Ownership of Bonds will be transferable only on the books of the Trustee, on surrender of the Bonds to be transferred with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner thereof or his duly authorized attorney. Bonds may be exchanged for Bonds of the same Series and maturity in other authorized denominations, on surrender of the Bonds to be exchanged to the Trustee with a written instrument requesting such exchange, duly executed by the Owner thereof or his duly authorized attorney.

When the privilege of transferring or exchanging Bonds is exercised, the Authority will execute or cause to be executed and the Trustee will authenticate and deliver Bonds in exchange for Bonds being transferred or exchanged. For every such transfer or exchange of Bonds, whether temporary or definitive, the Authority or the Trustee may charge an amount sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer.

Section 3.5 Replacement of Mutilated, Destroyed, Stolen or Lost Bonds. If a Bond is mutilated, destroyed, stolen or lost, the Authority will execute or cause to be executed and the Trustee will authenticate and deliver replacement Bonds of the same Series and maturity. For any mutilated Bonds, such new Bonds will be delivered only on surrender and cancellation of the mutilated Bonds. For destroyed, stolen or lost Bonds, such new Bonds will be delivered only on the filing with the Trustee of evidence satisfactory to establish to the Authority and the Trustee that such Bonds have been destroyed, stolen or lost and to prove the ownership thereof and on furnishing the Authority and the Trustee with indemnity satisfactory to them. The person requesting the delivery of new Bonds pursuant to this Section must comply with such other reasonable regulations as the Authority and the Trustee prescribe and pay such expenses as the Authority and the Trustee incur in connection therewith.

Section 3.6 Cancellation and Destruction of Bonds. All Bonds paid or redeemed, either at or before maturity and all Bonds delivered for transfer or exchange as provided in Section 3.4 must be delivered to the Trustee when such payment or redemption is made. The Trustee will promptly cancel such Bonds, together with all Bonds surrendered for replacement pursuant to Section 3.5 and any other Bonds delivered to the Trustee with instructions to cancel the same. Bonds so canceled may at any time be cremated or otherwise destroyed by the Trustee. On the cremation or destruction of canceled Bonds, the Trustee will provide to the Authority a written certification thereof.

Section 3.7 Execution and Authentication. The Bonds will be executed on behalf of the Authority with the manual or facsimile signature of its Chair or Executive Director and will have impressed or imprinted thereon, by facsimile or otherwise, the official seal of the Authority and will be attested with the manual or facsimile signature of the Clerk to the Board. If any officer of the Authority whose signature or whose facsimile signature appears on the Bonds ceases to be such officer before the delivery of such Bonds, such signature or facsimile signature will nevertheless be valid and sufficient for all purposes, as if he had remained in office until delivery. In addition, each Bond will be authenticated by the manual or facsimile signature of an authorized officer of the Trustee. If any official of the Trustee whose signature appears on the Bonds ceases to be such official before delivery of the Bonds, such signature is nevertheless valid and sufficient for all purposes, as if he had remained in office until delivery. No Bond is valid or obligatory for any purpose or entitled to any security or benefit hereunder unless and until executed and authenticated in the manner prescribed by this Section, and such execution and authentication of any Bond is conclusive evidence that such Bond has been properly executed and delivered hereunder.

Section 3.8 Ownership of Bonds. The Authority and the Trustee may deem and treat the Owner of any Bond as the absolute owner of such Bond, whether such Bond is overdue or not, for the purpose of receiving payment of, or on account of, the Principal of and interest on such Bond and for all other purposes, and all such payments so made to any such Owner will be valid and effectual to satisfy and discharge the liability on such Bond to the extent of the sum or sums so paid, and neither the Authority nor the Trustee will be affected by any notice to the contrary.

Section 3.9 Temporary Bonds. Pending the preparation of definitive Bonds of any Series, the Authority may execute and the Trustee will authenticate and deliver temporary Bonds of such Series. Temporary Bonds will be issuable as fully registered Bonds, of any denomination permitted by the related Series Indenture, and substantially in the form of the definitive Bonds of such Series but with such omissions, insertions and variations as may be appropriate for temporary Bonds, all as may be determined by the Authority. Every temporary Bond will be executed by the Authority and authenticated by the Trustee on the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable, the Authority will execute and will furnish definitive Bonds and then temporary Bonds may be surrendered in exchange therefor without charge at the designated corporate trust office of the Trustee, and the Trustee will authenticate and deliver in exchange for such temporary Bonds a like aggregate Principal amount of definitive Bonds. Until so exchanged, the temporary Bonds will be entitled to the same benefits under this Indenture as definitive Bonds.

[END OF ARTICLE III]

ARTICLE IV
APPLICATION OF BOND PROCEEDS

Section 4.1 **Application of Bond Proceeds.** The proceeds of sale of any Series of Bonds will, as soon as practicable on the delivery of the Series of Bonds by the Trustee pursuant to Section 2.4, be applied as set forth in the applicable Series Indenture.

Section 4.2 **Bonds Not Delivered for Payment.** If any Bond is not presented for payment when the Principal thereof becomes due, either at maturity, or at the date fixed for redemption thereof, or otherwise, or if any interest check is not cashed, if funds sufficient to pay such Bond have been made available by the Authority to the Trustee or any Paying Agent for the benefit of the Owner thereof, all liability of the Authority to the Owner thereof for the payment of such Bond will forthwith cease, terminate and be completely discharged, and it will then be the duty of the Trustee and any Paying Agent to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Owner of such Bond who will thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Indenture or on, or with respect to, said Bond. Any money that is so set aside or transferred and that remains unclaimed by the Owners for a period of five years after such payment has become due and payable will be treated as abandoned property under Chapter 116B of the N.C.G.S., and the Trustee or Paying Agent will report and remit this property to the Escheat Fund according to the requirements of Chapter 116B of the N.C.G.S. Thereafter, the Owners may look only to the Escheat Fund for payment and then only to the extent of the amounts so received without any interest thereon, and the Authority, the Trustee and the Paying Agent will have no responsibility with respect to such money.

[END OF ARTICLE IV]

ARTICLE V
PLEDGE OF INDENTURE; FUNDS
AND ACCOUNTS; INVESTMENTS

Section 5.1 Pledge Effected by Indenture. The Trust Estate is hereby pledged, and the Authority hereby grants a security interest therein, to the Trustee for the benefit of Owners, to secure the payment of Bonds in accordance with their terms and the provisions of this Indenture. The Trust Estate will immediately be subject to the lien of such pledge without any physical delivery thereof or further act and such lien will be valid and binding against all parties having claims of any kind in tort, contract or otherwise, irrespective of whether such parties have notice hereof.

Section 5.2 Funds and Accounts.

(a) The Authority hereby establishes and creates the following special Funds which for administrative convenience may be subdivided by the Authority Representative or the Trustee into Accounts with appropriate identification:

- (1) Airport System Operating Fund;
- (2) PFC Revenue Fund;
- (3) Debt Service Fund;
- (4) Construction Fund;
- (5) Reserve Fund;
- (6) Operating and Maintenance Reserve Fund; and
- (7) Surplus Fund.

The Trustee or the Authority may also create such other Funds or Accounts as it deems necessary or desirable in the administration of this Indenture.

(b) The Debt Service Fund, the Construction Fund and the Reserve Fund will be held by the Trustee. If the Reserve Fund is used for a Series of the Bonds, the related Series Indenture must establish the provisions for the use of it. The Authority will not file a Qualified Reserve Fund Substitute with the Trustee, without the approval of the LGC or a person designated by the LGC to approve a Qualified Reserve Fund Substitute. The Airport System Operating Fund, the Operating and Maintenance Reserve Fund and the Surplus Fund will be held by one or more financial institutions from time to time determined by the Authority.

Section 5.3 Airport System Operating Fund; PFC Revenue Fund.

(a) The Authority will promptly cause all Revenues to be deposited in the Airport System Operating Fund as received. There will also be deposited in the Airport System Operating Fund any other amounts required to be deposited therein pursuant to this Indenture or any Supplemental Indenture and any other amounts available therefor and determined by the Authority to be deposited therein. All amounts collected by the Authority as (1) sales and use taxes and (2) refundable deposits made by customers of the Airport System, which have been deposited in the Airport System Operating Fund, may be paid out of the Airport System Operating Fund in the amounts and at the times determined by the Authority Representative.

(b) Except as provided in subsection (a) of this Section, the Authority will cause disbursements to be made from the Airport System Operating Fund as follows:

FIRST: Directly to the Persons entitled thereto at any time as may be required, the amount required to pay the Current Expenses as shown in the Annual Budget for the current Fiscal Year;

SECOND: To the Debt Service Fund, on or before the date designated in the applicable Series Indenture preceding each Interest Payment Date, an amount such that (after taking into consideration amounts then on deposit in the Debt Service Fund allocated to pay Interest) there will be in the Debt Service Fund an amount equal to the Interest due on the next Interest Payment Date;

THIRD: To the Debt Service Fund, on or before the date designated in the applicable Series Indenture preceding each Principal Payment Date, an amount such that (after taking into consideration amounts then on deposit in the Debt Service Fund allocated to pay Principal due with respect to the Bonds) there will be in the Debt Service Fund an amount equal to the Principal due on the next Principal Payment Date;

FOURTH: At any time as may be required, to the provider of any Qualified Reserve Fund Substitute in satisfaction of the then current obligations of the Authority incurred in connection therewith;

FIFTH: At any time as may be required, to the Trustee for deposit in the Reserve Fund (1) the amount necessary for the balance therein to equal the Reserve Requirement, but if the Revenues are insufficient therefor, to each Account of the Reserve Fund *pro rata* on the basis of the Reserve Requirement for each Series of Bonds secured by an Account of the Reserve Fund or (2) if the Reserve Fund is less than 90% of the Reserve Requirement as a result of a valuation of investments therein, the amount necessary for the balance therein to equal the Reserve Requirement; but the Authority is not required to transfer in any month more than an amount such that if the same amount were deposited in equal monthly installments over the subsequent 11 months, the Reserve Fund would equal the Reserve Requirement;

SIXTH: At any time as may be required, to the Debt Service Fund, the amount necessary to make up any deficiency therein in accordance with the priorities established in Section 5.4;

SEVENTH: To the Operating and Maintenance Reserve Fund, an amount sufficient to equal two months of Current Expenses as shown in the Annual Budget;

EIGHTH: At any time as may be required, to the Persons entitled to payment of any principal, premium, if any, or interest on any Subordinate Indebtedness, an amount equal to the principal, premium or interest then due and owing;

NINTH: At any time as may be required, to the Persons entitled to payment with respect to any Other Indebtedness, an amount equal to the payment then due and owing;

TENTH: On the first day of each Fiscal Year, to the Surplus Fund, the balance remaining in the Airport System Operating Fund as of the last day of the preceding Fiscal Year after reserving therein an amount sufficient to pay the Current Expenses for the first two months of that Fiscal Year as shown in the Annual Budget.

(c) The Authority shall deposit all Passenger Facility Charges as received by the Authority into the PFC Revenue Fund, except for any Passenger Facility Charges that have been designated as “Revenues” as provided in the definition of Revenues in Article I, in which event the Passenger Facility Charges designated as Revenues shall be deposited to the Airport System Operating Fund. Amounts deposited to the PFC Revenue Fund are not Revenues and are not subject to the provisions of this Section 5.3 regarding Revenues. Subject to the further provisions of this subsection (c), Passenger Facility Charges may be applied by the Authority for any purpose or manner consistent with applicable Federal Aviation Administration regulations for the collection and application of Passenger Facility Charges and any restrictions or provisions included in the authorization of the collection of the Passenger Facility Charges by the Federal Aviation Administration. Such uses may include the payment of debt service on Bonds for projects eligible for payment from Passenger Facility Charges, the payment of costs of projects eligible for payment from Passenger Facility Charges, the reimbursement of the Authority of prior costs paid for projects eligible for payment from Passenger Facility Charges and the reimbursement of debt service on Bonds eligible for payment from Passenger Facility Charges that have been paid from Revenues or other sources.

[For each Fiscal Year through the Fiscal Year ending June 30, 20__, the Authority has irrevocably committed the transfer of \$_____ of Passenger Facilities Charges collected in each year from the PFC Revenue Fund to the Debt Service Fund to be used to pay debt service on Bonds pursuant to this Section 5.3]. In addition, the Authority may at any time irrevocably commit any additional Passenger Facility Charges to be collected in the future to the payment of debt service on Bonds in the amounts and at the times set forth in the Supplemental Indenture, resolution or other action of the Authority making the commitment. In addition, the Authority may at any time use collected Passenger Facility Charges in excess of the committed amounts to pay principal or interest due on Bonds. To the extent Passenger Facility Charges are actually used or are so committed, the amount committed shall be taken into account in the definition as provided in the definition of Aggregate Annual Debt Service.

Section 5.4 Debt Service Fund.

(a) There will be deposited in the Debt Service Fund any amounts required to be deposited therein pursuant to this Indenture and any other amount available therefor and determined by the Authority to be deposited therein.

(b) The Trustee will disburse amounts deposited in the Debt Service Fund as follows:

(1) On each Interest Payment Date, to the Persons entitled thereto, Interest due on such date.

(2) Subject to the provisions hereof requiring the application thereof to the payment or redemption of any particular Bond, on each Principal Payment Date, to the Owners, the amounts required for the payment of the Principal due on such date.

(3) On each Redemption Date, to the Owners, the amount required for redemption of Bonds called for redemption.

(4) If on an Interest Payment Date or a Principal Payment Date, the amounts in the Debt Service Fund are insufficient to pay in full the Interest or Principal, the amounts in the Debt Service Fund will be applied pro rata first to the Persons entitled to Interest and then to the Persons entitled to Principal. Except as otherwise specifically provided herein or in any Series Indenture, the Trustee has no obligation to purchase or attempt to purchase Bonds at a price

below the Redemption Price, the Principal amount or at any other price, and any arms' length purchase by the Trustee will conclusively be deemed fair and reasonable.

(c) If on any Interest Payment Date or Principal Payment Date, there is a deficiency in the Debt Service Fund, the amount of such deficiency will be made up from the following Funds and in the order or priority set forth below:

(1) Airport System Operating Fund;

(2) Surplus Fund;

(3) the Account of the Reserve Fund securing a Series of Bonds to pay the Principal of and interest on such Series of the Bonds, to the extent such deficiency is attributable to the Series of the Bonds secured by that Account of the Reserve Fund; and

(4) Construction Fund.

(d) To the extent money is required to be transferred from any Fund held by the Authority to make up a deficiency in the Debt Service Fund as required by subparagraph (c), the Trustee shall notify the Authority by telephone promptly confirmed in writing on the Business Day preceding the date on which money is required to be transferred by it pursuant to this subparagraph and thereafter the Authority shall cause the required transfer to be made on the date set therefor.

Section 5.5 Surplus Fund.

(a) There will be deposited from time to time in the Surplus Fund all amounts required to be deposited therein pursuant to this Indenture or any Series Indenture and any other amounts available therefor and determined by the Authority to be deposited therein.

(b) Money held in the Surplus Fund is to be applied in the following order of priority: (1) first, to the Airport System Operating Fund to make up any deficiency therein to meet the obligations therefor; (2) second, to the Debt Service Fund to make up any deficiency therein in accordance with the order of priorities established in Section 5.4(c); (3) third, to pay the Person entitled thereto a termination payment under a Derivative Agreement; (4) fourth, to the Persons entitled to payment of any principal, premium, if any, or interest on any Subordinate Indebtedness, an amount equal to the principal, premium or interest then due and owing; (5) fifth, to the Persons entitled to payment with respect to any Other Indebtedness, an amount equal to the payment then due and owing; and (6) sixth, for any lawful purpose from time to time authorized by the Authority.

Section 5.6 Construction Fund. There will be deposited from time to time in the Construction Fund all amounts required to be deposited therein pursuant to, and expended in accordance with, any Series Indenture and any other amounts available therefor and determined by the Authority to be deposited therein.

Section 5.7 Reserve Fund. In connection with the issuance of each Series of Bonds, the Authority may determine whether such Series of Bonds will be secured by the Reserve Fund. In the event that any such Series of Bonds is secured by the Reserve Fund, the Authority shall designate in the applicable Series Indenture for such Bonds whether the Bonds are secured by the Parity Reserve Account on a parity basis with other Bonds or by a Series Reserve Account securing that particular Series of Bonds.

There will be deposited in the Reserve Fund, subject to the right of the Authority to supply the Trustee with a Qualified Reserve Fund Substitute after written notice thereof is provided to Moody's if the Bonds are rated by Moody's and S&P if the Bonds are rated by S&P, all amounts (if any) required to be deposited therein pursuant to this Indenture or any Series Indenture and any other amount available therefor and determined by the Authority to be deposited therein.

The Trustee will transfer amounts held in the appropriate account in the Reserve Fund to the Debt Service Fund to make up any deficiency therein with respect to any Series of Bonds secured by that account in the Reserve Fund, in accordance with the order of priorities set forth in Section 5.5; but if a Qualified Reserve Fund Substitute is in place, the Trustee will first use money on hand in the appropriate account in the Reserve Fund and then use money made available by the provider of the Qualified Reserve Fund Substitute. If more than one Qualified Reserve Fund Substitute is in place with respect to an account in the Reserve Fund, the Trustee shall draw on those Qualified Reserve Fund Substitutes pro rata. Not less than 10 days before the need therefor or such longer period of time as may be required pursuant to the Qualified Reserve Fund Substitute, the Trustee will cause appropriate notice to be given to the provider of such Qualified Reserve Fund Substitute of the need for funds to make up any deficiency in the Reserve Fund.

The Trustee will, on or before June 25 and December 25 of each year, value each account in the Reserve Fund in accordance with Section 5.13 and provide written notice to the Authority of any money which will be on hand in each account in the Reserve Fund in excess of the applicable Reserve Requirement (taking into account any Qualified Reserve Fund Substitute that may be held by the Trustee in any such account) and on the next succeeding January 1 or July 1, as the case may be, and on such January 1 or July 1, the Trustee shall transfer such excess money to the Construction Fund during the construction period associated with any additions, extensions or improvement of the Airport System financed with the proceeds of Bonds and otherwise to the Airport System Operating Fund to be applied in accordance with Section 5.3.

Section 5.8 Operating and Maintenance Reserve Fund. There will be deposited in the Operating and Maintenance Reserve Fund, all amounts required to be deposited therein pursuant to this Indenture or any Series Indenture and any other amount available therefor and determined by the Authority to be deposited therein. Money held in the Operating and Maintenance Reserve Fund is to be applied solely to pay Current Expenses to the extent funds available in the Airport System Operating Fund are insufficient therefor.

Section 5.9 Investments. The Trustee will invest money held in the Debt Service Fund, the Construction Fund and the Reserve Fund, at the written direction of the Authority, in Investment Securities. The Authority will invest all Funds and Accounts held by it pursuant hereto in such Investment Securities as it determines in its sole discretion. The proceeds of any remarketing of a Series of the Bonds will be held uninvested or will be invested in Federal Securities maturing not later than the earlier of 30 days or the date needed for payment. The Authority will invest, and as to the Debt Service Fund, the Reserve Fund and the Construction Fund, will direct the Trustee in writing to invest all money held hereunder pursuant to the investment instructions as provided in connection with a Series of Bonds.

The Trustee shall conclusively rely on the Authority's written instructions as to both the suitability and legality of all directed investments. Ratings of investments are to be determined at the time of purchase of such investments and without regard to ratings subcategories. The Trustee has no responsibility to monitor the ratings of investments after the initial purchase of such investments. The Trustee may make any and all such investments through its own investment department or that of its affiliates or subsidiaries, and may charge its ordinary and customary fees for such trades. In the absence of written investment instructions from the Authority, the Trustee is not responsible or liable for keeping the money held by its hereunder fully invested.

Unless otherwise provided in a Series Indenture, the Trustee will deposit earnings from investment of money (1) in the Construction Fund, immediately on receipt thereof into the Construction Fund, (2) in the Debt Service Fund, immediately on receipt thereof into the Debt Service Fund, and (3) in the Reserve Fund, as set forth in each Series Indenture. All other earnings from the investment of money held in any other Fund or Account hereunder will be credited to the Airport System Operating Fund.

The Trustee is not responsible for any loss on the investment of money invested in accordance with this Indenture. Although the Authority recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Authority agrees that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Section 5.10 Valuation and Sale of Investments.

(a) In computing the amount in any Fund or Account, obligations purchased as an investment of money therein will be valued at the market value on the last day of each Fiscal Year unless an earlier date is required in this Indenture or in a Series Indenture. The Trustee shall value each Account of the Reserve Fund separately for purposes of determining if the Account is in the amount required by the Series Indenture under which it was created.

(b) Except as otherwise provided herein, the Trustee shall sell, or present for redemption, any Investment Security whenever it shall be required in writing by a Authority Representative to do so, on which written instruction the Trustee may rely, or whenever it is necessary in order to provide money to meet any payment or transfer from any Fund or Account held by it, and the Authority Representative shall sell, or present for redemption, any Investment Security whenever it shall be necessary in order to provide money to meet any payment or transfer from any Fund or Account held by the Authority. An Investment Security may be credited on a pro rata basis to more than one Fund or Account and need not be sold in order to provide for the transfer of amounts from one Fund or Account to another.

[END OF ARTICLE V]

**ARTICLE VI
PARTICULAR COVENANTS**

Section 6.1 Payment of Bonds. The Authority will duly and punctually pay or cause to be paid, as herein provided, the Principal of and the Interest on every Bond or the Redemption Price thereof, at the dates and places and in the manner stated in the Bonds, according to the true intent and meaning thereof and will duly and punctually pay or cause to be paid all Sinking Fund Payments, if any, becoming payable with respect to any of the Bonds and all other payments of Interest required under this Indenture.

Section 6.2 Power To Issue Bonds and Pledge. The Authority is duly authorized under the Act to authorize and issue the Bonds and to enter into, execute and deliver this Indenture and to pledge the Trust Estate, including the Net Revenues, purported to be pledged hereby in the manner and to the extent herein provided. The Bonds and the provisions of this Indenture are and will be the valid and legally enforceable obligations of the Authority in accordance with the terms of the Bonds and of this Indenture. The Authority will at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Trust Estate and all the rights of the Owners under this Indenture against all claims and demands of all persons whomsoever.

Section 6.3 Further Assurance. At any and all times the Authority will, so far as it may be authorized by law, pass, make, execute, acknowledge and deliver all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, pledging, assigning and confirming all and singular the Trust Estate.

Section 6.4 Accounts and Reports.

(a) The Authority will keep, or cause to be kept, proper books of record and account in which complete and accurate entries will be made relating to the Airport System, which will at all reasonable times be subject to the inspection of the Trustee and the Owners or their representatives duly authorized in writing.

(b) The Authority will file with the Trustee and the LGC, within 180 days after the close of each Fiscal Year, a copy of an audited annual financial report as to the obligations and activities of the Airport System during such Fiscal Year. The financial statements for each Fiscal Year, shall set forth in reasonable detail:

- (1) a balance sheet for the Airport System at the end of such Fiscal Year;
- (2) a statement of the Airport System revenues and expenses in accordance with the categories or classifications established by the Authority for its operating and program purposes and showing the Revenues and Current Expenses during such Fiscal Year; and
- (3) a statement of cash flows of the Airport System as of the end of such Fiscal Year.

In addition, the Authority will file with the Trustee and the LGC an audited calculation demonstrating its compliance with the Rate Covenant which may be contained (1) in the audited annual financial report or (2) in a separate document that has been certified by the Accountant which prepares such calculation. The contents of the financial statements may vary from that set forth in clauses (1) through (3) if the Accountant certifies that they conform to then existing generally accepted accounting principles. The financial statements must be accompanied by an Accountant's Certificate stating (1) whether the financial statements examined fairly present the financial position of the Authority, including the Airport System, at the end of the Fiscal Year, (2) whether the results of its operations and the changes in financial position

for the period examined are in conformity with generally accepted accounting principles and (3) whether, to its knowledge, an event of default has occurred under this Indenture. The Trustee will make a copy of the financial statements available to any Owner of a Bond on written request therefor and at the expense of such Owner.

(c) The Authority may employ Consultants to inspect the operation and maintenance of the Airport System or to review the performance by the Authority of the duties relating thereto provided for in this Indenture. The Authority will file any report of the Consultants regarding their inspection or review with the Trustee and the LGC.

(d) Within 90 days after the close of each Fiscal Year, the Authority will file or cause to be filed with the Trustee and the LGC (1) a certificate that no event of default under Section 9.1 has occurred or (2) if an event of default has occurred, a special report setting forth in reasonable detail the individual balances and receipts and disbursements for each Fund hereunder.

(e) Any financial statements required hereunder may be presented on a consolidated or combined basis with other reports of the Authority, so long as the information relating to the Airport System is separately identified and only to the extent that such basis of reporting will be consistent with that required under subsection (b) of this Section.

Section 6.5 Annual Budgets.

(a) The Authority will approve by July 1 of each year an Annual Budget covering the fiscal operations of the Airport System for the Fiscal Year and will file the same with the Trustee. Such budget need not necessarily be the budget prepared by the Authority for budgeting purposes. The Annual Budget will set forth for such Fiscal Year the estimated Revenues; the Principal and Interest Requirements on the Bonds, the Principal and Interest Requirements on Subordinate Indebtedness and the Principal and Interest Requirements on Other Indebtedness, due and payable or estimated to become due and payable during such Fiscal Year; estimated Current Expenses; and, unless capital expenditures for the Airport System are included in the Authority's capital investment plan or similar document, the estimated amounts, if any, to be expended for extension, improvement, enlargement, renewal or replacement of the Airport System, whether begun, continued or to be completed during such Fiscal Year. The Authority may at any time adopt and file with the Trustee an amended Annual Budget in the manner provided in this Indenture for the adoption of the Annual Budget. Copies of the Annual Budget as then amended and in effect will be made available by the Trustee during normal business hours in the Trustee's designated corporate trust office for inspection by any Owner. If the Authority does not approve or adopt an Annual Budget for a Fiscal Year on or before the first day of such Fiscal Year, the Annual Budget for the preceding Fiscal Year will be deemed to have been adopted and be in effect for such Fiscal Year until the Annual Budget for such Fiscal Year has been adopted as above provided.

(b) The Authority will not expend for Current Expenses in any Fiscal Year sums in excess of the reasonable or necessary amount thereof.

Section 6.6 Rate Covenant. Before the commencement of each Fiscal Year, the Authority will fix, establish or maintain or cause to be fixed, established and maintained such rates and charges for the provision of services of the Airport System and revise or cause to be revised the same, as necessary, as will produce Revenues at least equal to the Rate Covenant. The Authority may not render free services except as permitted under FAA regulations; all users, including political subdivisions and public bodies (State or federal) who receive services from the Airport System will pay therefor at the established rates, fees and charges. The rates, fees and charges need not be uniform.

If the Authority fails to satisfy the Rate Covenant set forth above for any Fiscal Year as of the last day of such Fiscal Year (on the basis of actual revenues and expenditures as calculated in the previous paragraph), the Authority will, as promptly as possible, take all action necessary to increase Revenues and decrease Current Expenses as necessary to satisfy such Rate Covenant in the following Fiscal Year as set forth in this Section 6.6, including promptly retaining a Consultant to make recommendations as to a revision of rates, fees and charges and possible reductions in expenses which will result in satisfying the Rate Covenant in the following Fiscal Year. The Authority will give written notification to the Trustee and the LGC on retaining a Consultant to make such recommendations.

If the Authority fails to satisfy the Rate Covenant set forth in this Section 6.6 and the Revenues continue to be insufficient to meet the Rate Covenant by the following Fiscal Year beginning on the July 1 twelve months after the beginning of the Fiscal Year during which the Authority failed to meet such Rate Covenant, the Trustee may, at the written direction of a majority of the registered Owners of the Bonds and on receiving indemnity satisfactory to it, and without an Event of Default having occurred and if in the second such year Net Revenues is less than 110% Aggregate Annual Debt Service on the Bonds, take possession of the Airport System Operating Fund and administer the application thereof. If the Trustee does so, it may disburse money in the Airport System Operating Fund in such manner as it may determine, notwithstanding the provisions of Sections 5.3 and 5.4. If the Authority fails to satisfy the Rate Covenant set forth in this Section 6.6 and the Revenues continue to be insufficient to meet the Rate Covenant by the second Fiscal Year beginning on the July 1 twenty-four months after the beginning of the Fiscal Year during which the Authority failed to satisfy such Rate Covenant, an Event of Default will be deemed to have occurred and the Trustee may, at the written direction of a majority of the registered Owners of the Bonds and on receiving indemnity satisfactory to it, take possession of the Airport System Operating Fund pursuant to Section 9.2(a). If the Trustee does so, it may disburse money in the Airport System Operating Fund in such manner as it may determine, notwithstanding the provisions of Sections 5.3 and 5.4. The Trustee shall relinquish possession of the Airport System Operating Fund only on the delivery of a written Certificate of the Consultant, retained by the Authority pursuant to this Section 6.6, or an Accountant certifying the Authority's compliance with the Rate Covenant.

The Authority may have a contract with a user of the Airport System with respect to water or sewer use that requires the Authority to account separately for the revenues from such contract and for expenses related thereto. At any time such a contract is in force, the Authority will comply with its covenants hereunder, including the Rate Covenant, in a manner consistent with the requirements of such contract and consistent with the terms of this Indenture.

Section 6.7 Derivative Agreements. The Authority will not enter into a Derivative Agreement without the approval of the LGC or a person designated by the LGC to approve a contract such as a Derivative Agreement. The Authority may not terminate a Derivative Agreement without the approval of the LGC or a person designated by the LGC to approve a termination of a Derivative Agreement.

Section 6.8 Issuance of Additional Bonds.

(a) The Authority will not issue any other obligations, except on the conditions and in the manner provided in this Indenture, payable from the Revenues, having priority to or being on a parity with the lien of the Bonds issued pursuant to this Indenture, nor voluntarily create or cause to be or suffer to be created any debt, lien, pledge, assignment, encumbrance or any other charge having priority to or being on a parity with the lien of the Bonds issued pursuant to this Indenture.

(b) The Authority may issue Bonds to refund all or any Principal amount of the Bonds; provided, however, that if such refunding results in (A) the total cumulative Annual Debt Service on the Outstanding Bonds remaining Outstanding after the issuance of the refunding Bonds increasing as a result

of such refunding and (B) the maximum Annual Debt Service on the Bonds after the issuance of the refunding Bonds exceeding the maximum Annual Debt Service on the Bonds before the issuance of the refunding Bonds, then the Authority must satisfy the requirements in paragraph (e) below.

(c) If the Authority has issued Bonds, the proceeds of which were used to acquire or construct any portion of the Airport System and such proceeds are insufficient to pay the Costs of Construction, the Authority may issue a Series of Bonds in an amount equal to (1) the insufficiency, (2) any required deposit to the Reserve Fund with respect to such Series and (3) the Costs of Issuance related thereto. Before the issuance of any Series of Bonds under this paragraph, the Authority shall deliver to the Trustee a Certificate of a Consultant stating that the proceeds from the Series of Bonds together with other available funds will be sufficient to pay the Costs of Construction of the portion of the Airport System for which such Series of Bonds are being issued.

(d) The Authority may issue Bonds for all other lawful purposes, including, without limitation, to provide for Costs of Construction, any required deposit to the Reserve Fund and Costs of Issuance with respect to such Series of Bonds.

(e) No Series of Bonds, other than the initial two Series of Bonds and the Bonds described in paragraph (b) and (c) above, will be issued hereunder unless either:

(1) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based on the Authority's unaudited, internally prepared, financial statements for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with the amount available to be taken into account for the Transfer for such Fiscal Year, were at least equal to (A) 125% of maximum Aggregate Annual Debt Service with respect to all Outstanding Bonds and the proposed Series of Bonds, for such Fiscal Year or other applicable periods calculated as if the proposed Series of Bonds was then Outstanding, (B) 100% of the Aggregate Annual Debt Service for Subordinate Indebtedness in that Fiscal Year, and (C) 100% of the Aggregate Annual Debt Service for Other Indebtedness in that Fiscal Year; or

(2) (A) a certificate, dated as of a date between the date of pricing of the Bonds being issued and the date of delivery of such Bonds (both dates inclusive), prepared by an Authorized Authority Representative, showing that the Net Revenues for the last Fiscal Year for which audited financial statements are available, or, based on the Authority's unaudited, internally prepared, financial statements for any 12 consecutive months out of the most recent 18 consecutive months immediately preceding the date of issuance of the proposed Series of Bonds, together with the amount available to be taken into account for the Transfer for such Fiscal Year, were at least equal, to (i) 125% of the Aggregate Annual Debt Service due and payable with respect to all Outstanding Bonds (not including the proposed Series of Bonds) for such Fiscal Year or other applicable period, (ii) 100% of the Aggregate Annual Debt Service for Subordinate Indebtedness in that Fiscal Year, and (iii) 100% of the Aggregate Annual Debt Service for Other Indebtedness in that Fiscal Year; and

(B) a certificate from a Consultant showing that the estimated Net Revenues for each of three consecutive Fiscal Years beginning with the first Fiscal Year in which Annual Debt Service is due on or with respect to the Series of Bonds proposed to be issued, and for the payment of all of which provision has not been made as indicated in the report of

such Consultant from the proceeds of such Series of Bonds or from interest that has been capitalized from the proceeds of previously issued Bonds, will be at least equal to (i) 125% of the Aggregate Annual Debt Service for each such Fiscal Year with respect to all Outstanding Bonds and the proposed Series of Bonds (calculated as if the proposed Series of Bonds was then Outstanding), (ii) 100% of the Aggregate Annual Debt Service for Subordinate Indebtedness in each such Fiscal Year, and (iii) 100% of the Aggregate Annual Debt Service for Other Indebtedness in each such Fiscal Year.

For purposes of paragraph (e)(2)(B) in this Section, in estimating Net Revenues, the Consultant may take into account Revenues from Projects or Airport Facilities reasonably expected to become available during the period for which the estimates are provided. With respect to Current Expenses, the Consultant shall use such assumptions as the Consultant believes to be reasonable, taking into account: (1) historical Current Expenses, (2) Current Expenses associated with the Projects and any other new Airport Facilities, and (3) such other factors, including inflation and changing operations or policies of the Authority, as the Consultant believes to be appropriate. The Consultant shall include in the certificate or in a separate accompanying report a description of the assumptions used and the calculations made in determining the estimated Net Revenues and shall also set forth the calculations of Aggregate Annual Debt Service, which calculations may be based on information provided by another Consultant.

(3) no Event of Default under this Indenture has occurred and is continuing.

Section 6.9 Construction; Maintenance of Airport System. The Authority will complete or cause to be completed the additions, extensions and improvements of the Airport System provided for in this Indenture in accordance with plans and specifications and in an economical and efficient manner with all practicable dispatch and thereafter will maintain or cause to be maintained the Airport System in good condition and will continuously operate or cause to be operated the same in an efficient manner and at a reasonable cost as a municipal revenue-producing enterprise. The Authority will also maintain and amend in each Fiscal Year a capital improvement plan for the Airport System extending over a period of not less than the three following Fiscal Years.

Each contractor entering into a construction contract is required to furnish a performance bond and a separate labor and material payment bond as required by the laws of the State.

If a material default by a contractor under any construction contract occurs or if a material breach of warranty with respect to any materials, workmanship or performance occurs, the Authority shall promptly proceed, either separately or in conjunction with others, to pursue diligently its remedies against any such contractor or against each surety of any bond securing the performance of the construction contract.

Section 6.10 Insurance; Condemnation. The Authority will carry or cause to be carried such insurance with a reputable insurance carrier or carriers, such as is maintained or carried by similar governmentally-owned systems as the Airport System, including, public liability insurance against loss or damage by any natural disaster, fire, explosion, occupancy or other hazards and risks, and said property loss and damage insurance will at all times be in an amount sufficient to indemnify in amounts sufficient to repair the Airport System for loss, but not less than the aggregate Principal amount of the Bonds Outstanding, to the extent that such insurance is obtainable.

The Authority will hold the proceeds of any insurance or condemnation, with respect to the Airport System, in excess of \$1,000,000 in any given Fiscal Year and (1) apply them to rebuild or replace the Airport System or portion thereof giving rise to the referenced proceeds or (2) transfer them to the

Trustee for deposit in the Debt Service Fund, to redeem or pay the Principal of the Bonds pursuant to a Series Indenture.

The Authority may provide for and maintain the insurance required under this Section partially or wholly by means of an adequate self-insurance fund. Reserves for a self-insurance fund will be determined by using actuarial principles. Any self-insurance fund must be actuarially sound and will be reviewed annually by an Independent Insurance Consultant.

Section 6.11 Special Facilities and Special Facility Obligations. The Authority may, from time to time, and subject to the terms and conditions of this Section, (a) designate a separately identifiable existing facility or improvement or planned facility or improvement as a “Special Facility,” (b) incur debt primarily for the purpose of acquiring, constructing, renovating or improving or providing financing or refinancing to a third party to acquire, construct, renovate or improve, such facility or improvement, without a pledge of any Net Revenues (except as otherwise provided in clause (c) of the succeeding paragraph), (c) provide that the contractual payments derived from or related to such Special Facility, together with other income and revenues available to the Authority from such Special Facility to the extent necessary to pay debt service on the Special Facility Obligations, to pay all costs of operating and maintaining such Special Facility not paid for by the operator thereof or by a party other than the Authority and to make all required sinking fund, reserve or other payments as the same become due, be “Special Facilities Revenue” and not included as Revenues or Net Revenues unless otherwise provided in a Supplemental Indenture, and (d) provide that the debt so incurred is a “Special Facility Obligation.” Special Facility Obligations may not be issued under this Indenture.

Special Facility Obligations are payable as to principal, redemption premium, if any, and interest solely from (a) Special Facilities Revenue, which include contractual payments derived by the Authority under a contract (which may be in the form of a lease) relating to a Special Facility by and between the Authority and another person, firm or corporation, either public or private, that undertakes the operation of a Special Facility, (b) proceeds of such Special Facility Obligations set aside exclusively to pay debt service on such Special Facility Obligations, if any, or (c) subject to any covenants or other provisions of this Indenture, such Net Revenues, or other money not included in Net Revenues, made available by the Authority through a specific pledge to the payment of the principal of and interest on such Special Facility Obligation in such amounts and at such times as may be agreed to by the Authority, if any.

To the extent Special Facilities Revenue received by the Authority during any Fiscal Year exceeds the amounts required to be paid as described in clause (c) of the first paragraph of this Section for such Fiscal Year, such excess Special Facilities Revenue, to the extent not otherwise encumbered or restricted, may constitute Revenues as determined by the Authority.

Notwithstanding any other provision of this Section, at such time as the Special Facility Obligations issued for a Special Facility, including Special Facility Obligations issued to refinance Special Facility Obligations, are fully paid or otherwise discharged, all revenues generated by such Special Facility will be included as Revenues.

Section 6.12 Compliance With Conditions Precedent. On the date of issuance of any of the Bonds, all conditions, acts and things required by law or by this Indenture to exist, to have happened or to have been performed precedent to or in the issuance of such Bonds exist, have happened and have been performed and such Bonds, together with all other indebtedness of the Authority, are within every debt and other limit prescribed by law.

Section 6.13 Liens or Charges. The Authority may create or permit to be created a lien on the Airport System in order to secure the issuance of Other Indebtedness as long as the Finance Director certifies at the time of the creation of the lien that (1) loss of the property secured by the lien will not

materially adversely affect the ability of the Authority to meet its financial obligations under this Indenture, including the ability of the Authority to meet its Rate Covenant and (2) the current value of all parts of the Airport System subject to a lien securing Other Indebtedness, including property which may be added to the Airport System as a result of issuance of the proposed Other Indebtedness, does not exceed 20% of the current value of the Airport System' tangible assets. The Authority will not otherwise create or permit to be created any lien or charge on the Airport System. The Authority will pay or cause to be discharged or make provisions to satisfy and discharge, within 60 days after the same accrues, all claims and demands for labor, materials, supplies or other items which, if unpaid, might by law become a lien on the Airport System or the Revenues on a parity with the lien of the Bonds, except for the liens permitted by this Section. The Authority need not pay or cause to be discharged or make provision for any lien or charge as long as the validity thereof is being contested in good faith by appropriate legal proceedings.

Section 6.14 Covenant to Obtain Permits. No approval or consent is required from any governmental authority with respect to the entering into or performance by the Authority of this Indenture and the performance by the Authority of the transactions contemplated by this Indenture, except certain approvals and consents relating to certain extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for, the Airport System, and if such approvals are required, will be duly obtained.

Section 6.15 Waiver of Laws. The Authority will not at any time insist on or plead in any manner whatsoever, or claim or take the benefit or advantage of any stay or extension of law now or at any time hereafter in force which may affect the covenants and agreements contained in this Indenture or in the Bonds and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority.

Section 6.16 Issuance of Subordinate Indebtedness. The Authority may issue Subordinate Indebtedness if:

(1) the Net Revenues for the most recent Fiscal Year for which audited financial statements are available, adjusted in the manner provided in Section 6.8, were at least equal to (a) 125% of the maximum Annual Debt Service on the Bonds, (b) 100% of the Principal and Interest Requirements for Subordinate Indebtedness in that Fiscal Year, including the Subordinate Indebtedness to be issued, and (c) 100% of the Principal and Interest Requirements for Other Indebtedness in that Fiscal Year; or

(2) (A) the Net Revenues for the most recent Fiscal Year for which audited financial statements are available were at least equal to (i) 125% of the maximum Annual Debt Service on the Bonds, (ii) 100% of the Principal and Interest Requirements for Subordinate Indebtedness in that Fiscal Year, excluding the Subordinate Indebtedness to be issued, and (iii) 100% of the Principal and Interest Requirements for Other Indebtedness in that Fiscal Year; and

(B) the Net Revenues, as projected by a report of a Consultant filed with the Trustee, for the first two Fiscal Years following (i) the date Capitalized Interest, if any, provided from the proceeds of the proposed Subordinate Indebtedness is expended in the case of the acquisition of assets for or construction of improvements to the Airport System or (ii) the date the proposed Subordinate Indebtedness is incurred in any other case, are at least equal to (I) 125% of the maximum Annual Debt Service on the Bonds, (II) 100% of the Principal and Interest Requirements for Subordinate Indebtedness in such Fiscal Years, including the Subordinate Indebtedness to be issued, and (III) 100% of the Principal and Interest Requirements for Other Indebtedness in such Fiscal Years; and

(3) no Event of Default under this Indenture or under the agreement securing the Subordinate Indebtedness has occurred and is continuing.

Section 6.17 Release of Portion of Revenues. The Authority may release one of more sources of Revenues, in whole or in part, as long as (a) a Consultant certifies to the Trustee that the Revenues as constituted after the release will not cause the Authority to fail to meet the Rate Covenant in the current Fiscal Year and the following two Fiscal Years and (b) if the Bonds are rated by Moody's, receipt of written notice from Moody's that the release will not cause its rating on the Bonds to be reduced or withdrawn and if the Bonds are rated by S&P, receipt of written notice from S&P that the release will not cause its rating on the Bonds to be reduced or withdrawn.

Section 6.18 Assignment or other Transfer of Assets. The assets constituting the Airport System may be assigned, sold, mortgaged, leased or otherwise disposed of, in whole, to another political subdivision or public agency of the State authorized by law to own and operate such systems only if there is filed with the Trustee (1) a report prepared by a Consultant showing that there is no material adverse effect on the ability of the Airport System to produce Revenues to satisfy the Rate Covenant, (2) written evidence from any rating agency then rating the Bonds that such sale will not adversely affect its rating of the Bonds and, (3) evidence satisfactory to the Trustee that such political subdivision is assuming all of the obligations of the Authority under this Indenture.

[END OF ARTICLE VI]

**ARTICLE VII
SUPPLEMENTAL INDENTURES**

Section 7.1 *Supplemental Indentures Effective On Filing With the Trustee.* For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture of the Authority may be executed and delivered, which, on the filing with the Trustee of a copy thereof certified by a Authority Representative and execution by the Trustee, will be fully effective in accordance with its terms:

(a) to close this Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this Indenture on, the delivery of Bonds or the issuance of other evidences of indebtedness;

(b) to add to the covenants and agreements of and the limitations and restrictions on the Authority in this Indenture other covenants and agreements or limitations and restrictions to be observed by the Authority which are not contrary to or inconsistent with this Indenture as theretofore in effect;

(c) to surrender any right, power or privilege reserved to or conferred on the Authority by the terms of this Indenture, but only if the surrender of such right, power or privilege is not contrary to or inconsistent with the covenants and agreements of the Authority contained in this Indenture;

(d) to confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Indenture of the Trust Estate, including the Net Revenues or any other revenues or assets;

(e) to modify any of the provisions of this Indenture in any respect whatsoever, but only if (1) such modification will be, and be expressed to be, effective only after all Bonds Outstanding at the date of the adoption of such Supplemental Indenture cease to be Outstanding and (2) such Supplemental Indenture will be specifically referred to in the text of all Bonds delivered after the date of the adoption of such Supplemental Indenture and of Bonds issued in exchange therefor or in place thereof; or

(f) to provide for the delivery of a Qualified Reserve Fund Substitute, if any;

provided that any changes do not, in the opinion of Bond Counsel, adversely affect the interests of the Owners of the Bonds.

Section 7.2 *Supplemental Indentures Effective On Consent of Trustee.*

(a) For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be executed and delivered, which, on (1) the filing with the Trustee of a copy thereof certified by a Authority Representative, and (2) the filing with the Trustee and the Authority of an instrument in writing, made by the Trustee consenting thereto, will be fully effective in accordance with its terms:

(1) to cure any ambiguity, supply any omission or cure or correct any defect or inconsistent provision in this Indenture;

(2) to insert such provisions clarifying matters or questions arising under this Indenture as are necessary or desirable and are not contrary to or inconsistent with this Indenture as theretofore in effect; or

(3) to effectuate such changes herein which do not adversely affect the interests of the Owners.

(b) Any such Supplemental Indenture may also contain one or more of the purposes specified in Section 7.1 and, in that event, the consent of the Trustee required by this Section will be applicable only to those provisions of such Supplemental Indenture as contain one or more of the purposes set forth in subsection (a) of this Section.

Section 7.3 Supplemental Indentures Effective On Consent of Owners. Exclusive of Supplemental Indentures covered by Sections 7.1 and 7.2, the written consent of the Owners of not less than a majority in aggregate Principal amount of the Bonds Outstanding and the LGC, will be required for the execution by the Authority and the Trustee of any indenture or indentures supplemental hereto; provided, however, that without the consent of the Owners of all the Bonds Outstanding nothing herein contained will permit, or be construed as permitting:

(a) A change in the terms of redemption or maturity of the Principal amount of or the interest on any Outstanding Bond, or a reduction in the Principal amount of or premium payable on any redemption of any outstanding Bond or the rate of interest thereon;

(b) The deprivation of the Owner of any Bond Outstanding of the lien created by Indenture (other than as originally permitted hereby);

(c) A privilege or priority of any Bond over any other Bond; or

(d) A reduction in the aggregate Principal amount of the Bonds required for consent to such Supplemental Indenture.

If at any time the Authority requests the Trustee in writing to enter into a Supplemental Indenture for any of the purposes of this Section, the Trustee will, on being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by mail to the Owners of the Bonds Outstanding at the address shown on the registration books maintained by the Trustee. Such notice will briefly set forth the nature of the proposed Supplemental Indenture and will state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection by all Owners. If, within 60 days (or such longer period prescribed by the Authority) following the giving of such notice, the Owners of not less than a majority in aggregate Principal amount of the Bonds Outstanding (and in the case of Supplemental Indentures involving (a) through (d) above, the Owners of all of the Bonds Outstanding) at the time of the execution of any such Supplemental Indenture have consented to and approved the execution thereof as herein provided, no Owner will have any right to object to any of the terms and provisions contained therein, or in the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 7.4 General Provisions.

(a) As a condition to the effectiveness of any Supplemental Indenture, an opinion of Bond Counsel must be delivered to the Trustee stating that such Supplemental Indenture has been duly and lawfully adopted in accordance with the provisions of this Indenture, is authorized or permitted by this Indenture, is valid and binding on the Authority, and does not adversely affect the tax treatment of interest on the Bonds.

(b) The Trustee is hereby authorized to accept the delivery of a certified copy of any Supplemental Indenture referred to and permitted or authorized by Section 7.1, 7.2 or 7.3 and to make all further agreements and stipulations which may be therein contained.

(c) No Supplemental Indenture will change or modify any of the rights or obligations of the Trustee without its written consent thereto.

(d) Nothing contained in this Article will affect or limit the right or obligations of the Authority to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 6.3 or the right or obligation of the Authority to execute and deliver to the Trustee any instrument which is to be delivered to the Trustee pursuant to this Indenture.

(e) Nothing contained in this Article will affect or limit the right of the Authority to enter into Series Indentures in connection with the issuance of additional Series of Bonds. Any Series Indenture may be amended or supplemented as provided therein.

(f) No Supplemental Indenture may affect the provisions regarding the LGC under this Indenture without the consent of the LGC or a person designated by the LGC to execute such a consent, and no Supplemental Indenture under Section 7.1(e) will be effective without the consent of the LGC or a person designated by the LGC to execute such a consent.

(g) Notwithstanding anything in this Indenture to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any Bonds may, regardless of its intent to sell or distribute such Bonds in the future, consent as the Owner of such Bonds to any amendment or supplemental indenture as required or permitted by this Article, including any amendment or supplemental indenture that adversely affects the interests of other Owners, and (2) any such holder providing its consent under this Section is not entitled to receive, nor is the Authority required to provide, any prior notice or other documentation regarding such amendment or supplemental indenture.

Section 7.5 Exclusion of Bonds. Bonds owned or held by or for the account of the Authority will not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article, and the Authority will not be entitled with respect to such Bonds to give any consent or to take any other action provided for in this Article. At the time of any consent or other action taken under this Article, the Authority will furnish to the Trustee a Certificate of an Authority Representative, on which the Trustee may conclusively rely, describing all Bonds so to be excluded.

Section 7.6 Notation on Bonds. Bonds delivered after the effective date of any action taken as provided in this Article may, and if the Trustee so determines will, bear a notation, by endorsement or otherwise, in a form approved by the Authority and the Trustee, as to such action. On any transfer or exchange of any Bond Outstanding at such effective date or on demand of the Owner of any Bond Outstanding at such effective date and presentation of such Bond, the Trustee will make suitable notation as to such action on such Bond or on any Bond issued on any such transfer or exchange. If the Authority or the Trustee will so determine, new Bonds modified to conform to such action in the opinion of the Trustee and the Authority will be prepared, executed and delivered, and on demand of any Owner will be exchanged, without cost to such Owner, on surrender of such Outstanding Bond.

Section 7.7 Consents of Initial Purchasers, Underwriters and Remarketing Agents. Notwithstanding anything in this Indenture to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any Bonds may, regardless of its intent to sell or distribute such Bonds in the future, consent as the Owner of such Bonds to any amendment or Supplemental Indenture as required or permitted by this Indenture, including any amendment or Supplemental Indenture that adversely affects

the interests of other Owners, and (2) any such holder providing its consent under this Section is not entitled to receive, nor is the Authority required to provide, any prior notice or other documentation regarding such amendment or Supplemental Indenture.

Section 7.8 Credit Providers. The Authority may, with the approval of the Local Government Commission, provide a Credit Facility for a Series of Bonds or for specific Bonds if the Authority, in the Supplemental Indenture under which such Bonds are issued or by a resolution of the Authority, (i) authorizes such Credit Facility and (ii) certifies that entering into or arranging for such Credit Facility is reasonably expected to either achieve lower interest costs or reduce interest rate risk. In addition, the Authority may in the Supplemental Indenture under which such Bonds are issued, provide to the Credit Provider the right to make requests of or to direct or consent to the actions of the Trustee or to otherwise direct proceedings all as provided in Article VII or Article IX of this Indenture to the same extent and in place of the owners of the Bonds which are secured by the Credit Facility and for such purposes the Credit Provider shall be deemed to be the Bondholder of such Bonds.

The rights granted to any such Credit Provider, with respect to the provisions of Articles VII and IX hereof shall be disregarded and be of no effect if the Credit Provider is in default of its payment obligations under its Credit Facility.

[END OF ARTICLE VII]

ARTICLE VIII CONCERNING THE FIDUCIARIES

Section 8.1 *The Trust.* The Trustee agrees to hold in trust, for the benefit of the Owners, all property conveyed or delivered to it under this Indenture and all Funds and Accounts and the money or Investment Securities held therein.

Section 8.2 *Responsibility of the Trustee.* The statements of fact contained herein and in the Bonds will be taken as the statements of the Authority and the Trustee does not assume any responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds or coupons issued hereunder or in respect of the security afforded hereby, and the Trustee will not incur any responsibility in respect thereof. The Trustee will not be under any responsibility or duty with respect to the issuance of the Bonds for value or the application of the proceeds thereof or the application of any money paid to the Authority. None of the provisions of this Indenture require the Trustee to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers if it has reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it. Before taking any action under this Indenture relating to an Event of Default or in connection with its duties under this Indenture, other than making payments of principal and interest on the Bonds as they become due or causing an acceleration of the Bonds whenever required by the Indenture, the Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all costs and expenses to which it may be put (including attorney's fees, costs and expenses) and to protect it against all liability, including, but not limited to, any liability arising directly or indirectly under any federal, state or local statute, rule, law or ordinance related to the protection of the environment or hazardous substances and except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any action so taken.

The Trustee will not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct. The Trustee is not responsible or liable for any failure or delay in the performance of its obligations under this Indenture arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including, without limitation, acts of God; earthquakes; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemic; pandemic riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Trustee will use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

The Trustee is only responsible for duties which are expressly set forth in this Indenture, and no implied covenants or obligations may be read into this Indenture against the Trustee. No permissive right of the Trustee may be construed as a duty. The Trustee is not liable (1) for any action taken in good faith in accordance with the written direction of a majority of the Owners of the Bonds or (2) for any debts contracted for or for damages to persons or to property injured or damaged, or for salaries or nonfulfillment of contracts relating to the Airport System. The Trustee is not obligated to effect or maintain insurance or to inquire as to or ascertain the existence or sufficiency of insurance (including the adequacy of any self-insurance fund) or file claims for any loss with respect to the Airport System. The Trustee is not obligated to inquire as to or ascertain whether any contractor has furnished performance, labor and/or material bonds as required by Section 6.9 hereof. The Trustee has no duty (1) to inspect or oversee construction or completion of improvements to the Airport System. (2) to verify the truthfulness or accuracy of the certifications made by the Authority with respect to the Trustee's disbursements for

Costs of Construction in accordance with this Indenture or (3) to examine or review the contents of any disclosure document.

The Trustee shall not be liable for any loss resulting from any investment made in accordance with this Indenture. Except for the events described in Section 9.1(a) and (b), the Trustee shall not be deemed to have, or required to take, notice of any event of default unless specifically notified in writing thereof by the holders of not less than 25% of the aggregate principal amount of the Bonds.

The Trustee has no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds and has no responsibility for compliance with any state or federal securities laws in connection with the Bonds. The Trustee may act through its agents and attorneys and is not responsible for any misconduct or negligence on the part of any such person so appointed with due care. The Trustee has no duty to review or analyze any financial statements delivered to it by the Authority or verify the accuracy thereof and will hold such financial statements solely as a repository for the benefit of the Owners of the Bonds; the Trustee will not be deemed to have notice of any information contained therein or any event of default which may be disclosed therein in any manner.

Section 8.3 Evidence on Which Trustee May Act. The Trustee will conclusively rely on and will be fully protected in acting on any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document reasonably believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel to the Authority, and the opinion of such counsel will be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever the Trustee deems it necessary or desirable that a matter be proved or established before taking or suffering any action hereunder, including payment of money out of any Fund or Account, such matter (unless other evidence in respect thereof is specifically prescribed herein) may be deemed to be conclusively proved and established by a Certificate signed by a Authority Representative, and such Certificate will be full warrant for any action taken or suffered in good faith thereon, but in its sole discretion the Trustee may in lieu thereon accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof by the Authority to the Trustee will be sufficiently executed if executed in the name of the Authority by a Authority Representative.

Section 8.4 Compensation; Indemnification. The Authority will pay to the Trustee from time to time reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, counsel fees, costs and expenses and other disbursements, including those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties under this Indenture, and, the Trustee will have a lien therefor on any and all Funds at any time held by it under this Indenture. To the extent allowed by law, the Authority further agrees to indemnify and save the Trustee and its officers, directors and employees harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, and which are not due to its negligence or willful misconduct. The indemnifications provided herein survive the termination of this Indenture or the sooner resignation or removal of the Trustee.

Section 8.5 Permitted Acts and Functions. The Trustee may become the Owner of any Bonds, with the same rights it would have if it were not the Trustee. The Trustee may act as depository for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners or to effect or aid in any reorganization growing out of the enforcement of the Bonds or this Indenture, whether or not any such committee represents the Owners of a majority in aggregate Principal amount of the Bonds Outstanding. The Trustee may be an

underwriter in connection with the sale of the Bonds or of any other securities offered or issued by the Authority. The Trustee may not serve as the provider of any financial guaranty instrument under this Indenture or any Series Indenture.

Section 8.6 Resignation of Trustee. The Trustee may at any time resign and be discharged of the duties and obligations created by this Indenture by giving not less than 60 days' written notice to the Authority and such resignation will take effect on the appointment of a successor Trustee as provided in Section 8.8.

Section 8.7 Removal of Trustee.

(a) The Trustee may be removed by the Authority on 30 days' written notice if at any time so requested by an instrument or concurrent instruments in writing, filed with the Trustee and the Authority and signed by the Owners of a majority in aggregate Principal amount of the Bonds Outstanding or their duly authorized attorney, excluding any Bonds held by or for the account of the Authority.

(b) The Authority may on 30 days' written notice, subject to the approval of the LGC or a person designated by the LGC to give such an approval, remove the Trustee at any time, except during the existence of an Event of Default, for such cause as is determined in its sole discretion, by filing with the Trustee an instrument signed by an Authority Representative.

(c) The Trustee will automatically be deemed removed if it becomes incapable of acting, or is adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property is appointed, or if any public officer takes charge or control of the Trustee or of its property or affairs.

No removal of the Trustee pursuant to this Section will be effective until the appointment of a successor Trustee as provided in Section 8.8.

Section 8.8 Appointment of Successor Trustee.

(a) If the Trustee resigns or is removed, the Authority covenants and agrees that it will then appoint a successor Trustee.

(b) If no appointment of a successor Trustee is made pursuant to subsection (a) of this Section within 60 days after (1) the Trustee has given to the Authority written notice as provided in Section 8.6, (2) the Trustee has been removed as provided in subsection (a) or (b) of Section 8.7 or (3) the events described in subsection (c) of Section 8.7 have occurred, the Trustee or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Trustee.

(c) Any successor Trustee appointed under the provisions of this Section must be a trust company, bank or national banking association having the powers of a trust company within or outside the State, having capital, surplus and undivided profits aggregating at least \$100,000,000 if there be such a trust company, bank or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed on it by this Indenture.

Section 8.9 Transfer of Rights and Property to Successor Trustee. Any successor Trustee appointed under this Indenture will execute, acknowledge and deliver to its predecessor Trustee, and also to the Authority, an instrument accepting such appointment, and such successor Trustee, without any further act, deed or conveyance, will then become fully vested with all money, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee. The Trustee ceasing to act will nevertheless, on the reasonable written request of the Authority

or of its successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this Indenture, and will pay over, assign and deliver to its successor Trustee at the Authority's expense. Should any deed, conveyance or instrument in writing from the Authority be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing will, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Authority at the Authority's expense. On the effectiveness of the resignation or removal of the Trustee, such Trustee's authority to act pursuant to this Indenture will terminate and such Trustee will have no further responsibility or liability whatsoever for performance of this Indenture as Trustee, except for an act or omission occurring before the effective date of the resignation or removal.

Section 8.10 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it is a party or any company to which the Trustee sells or transfers all or substantially all of its corporate trust business, provided such company is a trust company or bank which is qualified to be a successor to the Trustee under Section 8.8 and is authorized by law to perform all the duties imposed on it by this Indenture, will be the successor to the Trustee without the execution or filing of any paper or the performance of any further act, anything herein to the contrary notwithstanding.

Section 8.11 Appointment of Paying Agent. Unless a different or additional Paying Agent is appointed in a Series Indenture with respect to a Series of Bonds, the Trustee will serve as Paying Agent for the Bonds. Any Paying Agent other than the Trustee will designate its principal office to the Authority and the Trustee and signify its acceptance of the duties and obligations imposed on it hereunder by a written instrument of acceptance delivered to the Trustee and the Authority. The Authority will cooperate with the Trustee and any Paying Agent to cause the necessary arrangements to be made and to be thereafter continued whereby funds derived from the sources specified herein will be made available to the Paying Agent for the payment when due of the Bonds.

Section 8.12 Qualifications of Paying Agent; Resignation; Removal. Any Paying Agent other than the Trustee must be a commercial bank or trust company, duly organized under the laws of the United States of America or any state or territory thereof, having at the time of appointment a combined capital stock, surplus and undivided profits of at least \$100,000,000 and authorized by law to perform all the duties imposed on it by this Indenture. Any Paying Agent may at any time resign and be discharged of the duties and obligations created by this Indenture by giving at least 60 days notice to the Authority and the Trustee. Any Paying Agent may be removed at any time at the direction of the Authority, by an instrument signed by the Authority and filed with the Paying Agent and the Trustee. Any Paying Agent will automatically be deemed removed if it is dissolved or its property or affairs are taken under the control of any state or federal court or administrative body because of bankruptcy or insolvency.

The resignation or removal of any Paying Agent will take effect on the date specified in such instrument or notice unless a successor Paying Agent has been appointed before said date. In the event of the resignation or removal of any Paying Agent, said Paying Agent will pay over, assign and deliver any money held by it in such capacity to its successor or, if there is no successor, to the Trustee.

On the resignation or removal of the Paying Agent, the Authority may appoint a successor Paying Agent, or, if the Authority fails to appoint a successor Paying Agent within 60 days after such resignation or removal, the Trustee may appoint a successor Paying Agent or the Trustee or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Paying Agent. The Trustee will be the Paying Agent for any Series of Bonds with respect to which no Paying Agent is serving in such

capacity. The Authority and the Trustee will incur no liability as a result of any appointment or failure to appoint any Paying Agent except for the appointment of a Paying Agent which does not conform to the requirements of this Section.

Section 8.13 Several Capacities. Anything in this Indenture to the contrary notwithstanding, the same entity may serve hereunder as the Trustee, the Paying Agent, the provider of a Credit Facility and remarketing agent and in any other combination of such capacities, to the extent permitted by law; provided, however, that the following conditions and requirements shall apply in any case where the same entity simultaneously acts as the Trustee and the provider of the Credit Facility (the “Trustee/Credit Issuer Institution”):

(a) Promptly after and as of June 30 of each year, the Trustee/Credit Issuer Institution shall provide to the LGC the following:

(1) A certification that the procedures and controls the Trustee/Credit Issuer Institution maintains are adequate to manage potential conflicts of interest; and

(2) A current listing of each North Carolina financing in which it is serving in a dual capacity and identifying such capacities.

(b) The Trustee/Credit Issuer Institution must, within 60 days of receiving any sort of notice concerning any litigation pending or threatened against the Trustee/Credit Issuer Institution in its capacity as Trustee, Credit Issuer or both, for any North Carolina financing, provide such notice and related documentation to the LGC. The Credit Issuer also must notify the LGC immediately of any failure to perform or any default in its capacity as Credit Issuer for the Bonds.

In addition to the provisions of Section 8.7 herein regarding removal of the Trustee, the LGC, in its sole discretion and at any time, may remove or require the replacement of the Trustee by giving 30 days written notice to the Trustee, the provider of the Credit Facility and the Authority; provided, however, that such removal shall not be effective until the appointment of a successor trustee as set forth in Section 8.8.

Section 8.14 Appointment of Co-Trustee. In case of litigation under this Indenture or the enforcement hereof on an Event of Default, or if the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, the Trustee may appoint an additional institution as a separate or Co-Trustee, in which event each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto will be exercisable by and vest in such separate or Co-Trustee, but only to the extent necessary to enable such separate or Co-Trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or Co-Trustee will run to and be enforceable by either of them.

Should any conveyance or instrument in writing from the Authority be required by the separate or Co-Trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, right, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing will, on request, be executed, acknowledged and delivered by the Authority. In case any separate or Co-Trustee, or a successor to either, dies, becomes incapable of acting, resigns or is removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate or Co-Trustee, so far as permitted by law, will vest in and be exercised by the Trustee until the appointment of a new Trustee or successor to such separate or Co-Trustee.

Section 8.15 Certain Representations of the Trustee.

(a) As of the date of this Indenture, the Trustee is not on any list created and maintained by the North Carolina Department of State Treasurer pursuant to the Iran Divestment Act of 2015, Chapter 143C-6A-1 et seq. of the General Statutes of North Carolina, as amended.

(b) The Trustee understands that “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Trustee uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Trustee will require that any subcontractor that it uses in connection with the transactions contemplated by this Indenture certify to such subcontractor's compliance with E-Verify.

[END OF ARTICLE VIII]

**ARTICLE IX
DEFAULTS AND REMEDIES**

Section 9.1 Events of Default. If any of the following events occur, it is hereby defined and deemed an “Event of Default” under this Indenture:

(a) A failure to pay the Principal of or premium, if any, on any Bond when the same becomes due and payable, whether at the stated maturity thereof or on proceedings for redemption including sinking fund redemptions;

(b) A failure to pay any installment of Interest when the same becomes due and payable;

(c) A failure by the Authority to observe and perform any covenant, condition, agreement or provision (other than as described in subsections (a) and (b) of this Section) contained in the Bonds or in this Indenture on the part of the Authority to be observed or performed, which failure continues for a period of 30 days after written notice, specifying such failure and requesting that it be remedied, has been given to the Authority by the Trustee, which may give such notice in its discretion and must give such notice at the written request of Owners of not less than 25% of the aggregate Principal amount of the Bonds, unless the Trustee, or the Trustee and Owners of a Principal amount of Bonds not less than the Principal amount of Bonds the Owners of which requested such notice, as the case may be, agrees in writing to an extension of such period before its expiration;

(d) The Authority (1) becomes insolvent or the subject of insolvency proceedings; (2) is unable, or admits in writing its inability to pay its debts as they mature; (3) makes a general assignment for the benefit of creditors or to an agent authorized to liquidate any substantial amount of its own property; (4) files a petition or other pleading seeking reorganization, composition, readjustment or liquidation of assets or requesting similar relief; (5) applies to a court for the appointment of a receiver for it or for the whole or any part of the Airport System; (6) has a receiver or liquidator appointed for it or for the whole or any part of the Airport System (with or without the consent of the Authority) and such receiver is not discharged within 90 days after his appointment; (7) becomes the subject of an “order for relief” within the meaning of the United States Bankruptcy Code; or (8) files an answer to a creditor’s petition admitting the material allegations thereof for liquidation, reorganization, readjustment or composition or to effect a plan or other arrangement with creditors or fail to have such petition dismissed within 60 consecutive days after the same is filed against the Authority; or

(e) Receipt by the Trustee of a written notice that an event of default has occurred or is continuing with respect to Subordinate Indebtedness or the authorizing document related to such Subordinate Indebtedness, including the failure to pay the principal of or interest on such Subordinate Indebtedness.

Further events which will constitute “*Events of Default*” hereunder may be set forth in a Series Indenture.

Section 9.2 Remedies on Default.

(a) Upon the occurrence and continuance of any Event of Default, the Trustee may proceed to protect and enforce the rights of the owners of Bonds by such of the following remedies as it deems most effectual to protect and enforce such rights:

(i) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the Authority to carry

out any agreements with or for the benefit of the Bondholders and to perform its or their duties under any law to which it is subject and this Indenture;

- (ii) bring suit on the Bonds;
- (iii) take custody of the Airport System Operating Fund and the Surplus Fund;
- (iv) commence an action or suit in equity to require the Authority to account as if it were the trustee of an express trust for the Bondholders;
- (v) by action or suit in equity enjoin any acts or things that may be unlawful or in violation of the rights of the Bondholders; or
- (vi) by pursuing any other available remedy at law or in equity or by statute.

In the enforcement of any remedy under this Indenture, the Trustee is be entitled to sue for, enforce payment on, and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Authority for Principal, redemption premium, interest, or otherwise, under any provision of this Indenture or of the Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such Bonds, together with any and all costs and expenses of collection and of all proceedings under this Indenture and under such Bonds, without prejudice to any other right or remedy of the owners of Bonds, and to recover and enforce a judgment or decree against the Authority for any portion of such amounts remaining unpaid, with interest, costs, and expenses, and to collect from any money available for such purpose, in any manner provided by law, the money adjudged or decreed to be payable.

If the Trustee takes possession of the Airport System Operating Fund after the occurrence of an Event of Default, the Trustee will make the payments therefrom in accordance with Section 5.3 and shall appoint a consultant satisfactory to the Trustee with experience in the operation and maintenance of a municipal Airport System to assist the Trustee in evaluating the Annual Budget, the cost of which will be paid from the Airport System Operating Fund.

(b) Except with respect to the rights of the provider of a Credit Facility as provided in a Series Indenture or a written agreement between the Authority and the provider of a Credit Facility, in no event, on the occurrence and continuation of an Event of Default described in Section 9.1 of this Indenture, will the Trustee, Bondholders, a Credit Provider or any other party have the right to accelerate the payment of Principal of and Interest on the Bonds Outstanding.

(c) No right or remedy is intended to be exclusive of any other rights or remedies, but each and every such right or remedy will be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. If any Event of Default has occurred and if requested in writing by the Owners of a majority in aggregate Principal amount of Bonds Outstanding and indemnified to its satisfaction, the Trustee will be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, deems most expedient in the interests of the Owners. When the Trustee incurs costs or expenses (including legal fees, costs and expenses) or renders services after the occurrence of an Event of Default, such costs and expenses and the compensation for such services are intended to constitute expenses of administration under any federal or state bankruptcy, insolvency, arrangement, moratorium, reorganization or other debtor relief law.

Section 9.3 *Priority of Payments After Default.*

(a) If, on the happening and continuance of any Event of Default, the funds held by the Trustee are insufficient for the payment of the Principal or Redemption Price then due of and interest then due on the Bonds, such funds (other than funds held for the payment of particular Bonds which have theretofore become due at maturity or by redemption) and any other amounts received or collected by the Trustee acting pursuant to this Indenture, after making provision for the payment of any outstanding fees of the Trustee and any expenses necessary in the opinion of the Trustee to protect the interest of the Owners and for the payment of the fees, charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under this Indenture, will be applied, subject to Section 9.11, as follows:

(1) Unless the Principal of all of the Bonds has become or has been declared due and payable:

FIRST: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amounts available are not sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference;

SECOND: To the payment to the Persons entitled thereto of the unpaid Principal or Redemption Price of any Bonds which have become due and, if the amounts available are not sufficient to pay in full all the Bonds due, then to the payment thereof ratably, according to the amounts of Principal or Redemption Price due on such date, to the persons entitled thereto, without any discrimination or preference; and

THIRD: To be held for the payment to the Persons entitled thereto, as the same become due, of the Principal or Redemption Price of and interest on the Bonds which thereafter become due and, if the amounts available are not sufficient to pay in full all the Bonds due on any date, together with such Interest, payment will be made ratably according to the amount of Principal due on such date to the Persons entitled thereto, without any discrimination or preference.

(2) If the Principal of all of the Bonds has become or has been declared due and payable, to the payment of the Principal and interest then due and unpaid on the Bonds without preference or priority of Principal over Interest or of Interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due collectively for Principal and interest, to the Persons entitled thereto without any discrimination or preference except as to any difference in the respective rates of interest specified in the Bonds.

(b) Whenever money is to be applied by the Trustee under this Section, such money will be applied by the Trustee at such times, and from time to time, as required by the terms of this Indenture and otherwise as the Trustee determines in its prudent discretion, having due regard to the amount of money available for such application. The setting aside of such money in trust for the proper purpose, will constitute proper application by the Trustee, and the Trustee will incur no liability whatsoever to the Authority, to any Owner or to any other person for any delay in applying such money, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this Indenture. Whenever the Trustee will exercise discretion in applying such money, it will fix the date (which must be an Interest Payment Date unless the Trustee deems another date more suitable) on which such application is to be made. The Trustee will not

be required to make payment to any Owner unless its Bond is presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Section 9.4 Termination of Proceedings. If any proceedings taken by the Trustee on account of any Event of Default have been discontinued or abandoned for any reason, the Authority, the Trustee and the Owners will be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers, and duties of the Trustee will continue as though no such proceeding had been taken.

Section 9.5 Owners' Right to Direct Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate Principal amount of the Bonds Outstanding will have the right, at any time, to the extent permitted by law, by instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, and any other proceedings hereunder; provided that such direction may not be otherwise than in accordance with the provisions of this Indenture. The Trustee will not be required to act on any direction given to it pursuant to this Section until the indemnity described in Section 8.2 is furnished to it by such Owners.

Section 9.6 Limitation on Rights of Owners.

(a) No Owner will have any right to institute any suit, action, mandamus or other proceeding in equity or at law hereunder, for the protection or enforcement of any right under this Indenture unless such Owner has given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Owners of not less than 25% in aggregate Principal amount of the Bonds Outstanding have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, has accrued, and has afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under the law or to institute such action, suit or proceeding in its name and unless, also, there has been offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee has refused or neglected to comply with such request within a reasonable time. Such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the powers under this Indenture or for any other remedy hereunder or by law. It is understood and intended that no one or more Owners will have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture, or to enforce any right hereunder or under law with respect to the Bonds or this Indenture, except in the manner herein provided, and that all proceedings at law or in equity must be instituted, had and maintained in the manner herein provided and for the benefit of all Owners. Nothing contained in this Article will affect or impair the right of any Owner to enforce the payment of the Principal of and interest on its Bonds at the time and place expressed in said Bond.

(b) Each Owner by its acceptance of a Bond will be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy under this Indenture or any Series Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable pre-trial, trial and appellate attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant. The provisions of this paragraph will not apply to any suit instituted by the Trustee, to any suit instituted by Owners of at least 25% in aggregate Principal amount of the Bonds Outstanding, or to any suit instituted by any Owner for the enforcement of the payment of any Bond on or after the respective due date thereof expressed in such Bond.

Section 9.7 Possession of Bonds by Trustee Not Required. All rights of action under this Indenture or under any of the Bonds enforceable by the Trustee may be enforced by it without the possession of any of the Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee will be brought in its name for the benefit of all the Owners of such Bonds, subject to the provisions of this Indenture.

Section 9.8 Remedies Not Exclusive. No remedy herein conferred on or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy will be cumulative and will be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

Section 9.9 No Waiver of Default. No delay or omission of the Trustee or of any Owner to exercise any right or power will be construed to be a waiver of any such default or any acquiescence therein and every power and remedy given by this Indenture to the Trustee and any Owner, respectively, may be exercised from time to time and as often as may be deemed expedient.

Section 9.10 Notice of Event of Default. The Trustee will give to the Owners and the LGC notice of each Event of Default hereunder known to the Trustee within 90 days after actual knowledge of the occurrence thereof, unless such Event of Default has been remedied or cured before the giving of such notice; provided that, except in the case of default in the payment of the Principal or Redemption Price of or interest on any of the Bonds, or in the making of any payment required to be made into the Debt Service Fund, notice will be given immediately after its occurrence. Each such notice of an Event of Default will be given by the Trustee by mailing written notice thereof (1) to all Owners appearing on the registration books maintained by the Trustee and (2) to such other persons as is required by law.

Section 9.11 Subordination of Claims for Interest. No claim for interest appertaining to any of the Bonds which in any way at or after maturity has been transferred or pledged separate and apart from the Bond to which it appertains will, unless accompanied by such Bond, be entitled, in case of an Event of Default hereunder, to any benefit by or from this Indenture, except after the prior payment in full of the Principal of all of the Bonds then due and of all claims for interest then due not so transferred or pledged.

[END OF ARTICLE IX]

ARTICLE X DEFEASANCE

If the Authority pays or causes to be paid or is deemed to have paid to the Owner of any Bond the Principal of and interest due and payable, and thereafter to become due and payable on such Bond, or any portion of such Bond in any integral multiple of the authorized denomination thereof, such Bond or portion thereof will cease to be entitled to any lien, benefit or security under this Indenture. If the Authority pays or causes to be paid the Principal of, premium, if any, and interest due and payable on all Outstanding Bonds, pays or causes to be paid all other sums payable by the Authority, including all fees, expenses and other amounts payable to the Trustee and any Paying Agent and all amounts owing to the provider of a Qualified Reserve Fund Substitute, then the right, title and interest of the Trustee in and to the Trust Estate will thereupon cease, terminate and become void.

Any Bond will be deemed to be paid within the meaning of this Article and for all purposes of this Indenture when (a) payment of the Principal and premium, if any, of such Bond plus interest thereon to the due date thereof (whether such due date is by reason of maturity or on redemption as provided herein) either (i) has been made or caused to be made in accordance with the terms thereof, or (ii) has been provided for by irrevocably depositing with the Trustee in trust and irrevocably set aside exclusively for such payment and, in either case, the Trustee has received verification from an independent certified public accounting firm that the money or Federal Securities deposited with the Trustee, together with investment earnings thereon, will be sufficient to pay when due the Principal and premium, if any, of and interest due and to become due on the Bond on and before the redemption date or maturity date thereof, (1) money, sufficient to make such payment or (2) non-callable Federal Securities maturing as to principal and interest in such amount and at such time as will insure the availability of sufficient money to make such payment, and (b) all necessary and proper fees, compensation and expenses of the Trustee and any Paying Agent pertaining to the Bonds with respect to which such deposit is made have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond is deemed to be paid hereunder, as aforesaid, such Bond will no longer be secured by or entitled to the benefits of this Indenture, except for the purposes of any such payment from such money or Federal Securities.

Notwithstanding the foregoing paragraph, no deposit under clause (a)(ii) of the immediately preceding paragraph will be deemed a payment of such Bonds as aforesaid until (a) proper notice of redemption of such Bonds has been previously given in accordance with the applicable Series Indenture, or if said Bonds are not to be redeemed within the next 35 days, until the Authority has given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to notify, as soon as practicable, the Owners of such Bonds in accordance with the applicable Series Indenture, that the deposit required by (a)(ii) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with this Article and stating the maturity or redemption date on which money is to be available for the payment of the Principal and premium, if any, of said Bonds plus interest thereon to the due date thereof, or (b) the maturity of such Bonds.

[END OF ARTICLE X]

**ARTICLE XI
MISCELLANEOUS**

Section 11.1 Evidence of Signature of Owners and Ownership of Bonds. Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Owners may be in one or more instruments of similar tenor, and will be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the ownership of Bonds will be sufficient (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may, nevertheless, in its discretion require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Owner or its attorney of such instrument may be proved by the bond of any officer authorized to take acknowledgments in the jurisdiction in which he or she purports to act that the person signing such request or other instrument acknowledged to him or her the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The ownership of the Bonds will be proved by the registration books kept under the provisions of Section 3.3.

Any request or consent of the Owner of any Bond will bind all future Owners of such Bond in respect of any thing done or suffered to be done by the Authority or the Trustee in accordance therewith.

Section 11.2 Parties Interested Herein. Nothing in this Indenture expressed or implied is intended or will be construed to confer on, or to give to any person other than the Authority, the Trustee and the Owners, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Authority or the Trustee will be for the sole and exclusive benefit of the Authority, the Trustee and the Owners.

Section 11.3 Titles, Headings, Captions, Etc. The titles, captions and headings of the articles, sections and subdivisions of this Indenture have been inserted for convenience of reference only and will in no way modify or restrict any of the terms or provisions hereof.

Section 11.4 Severability. If any provision of this Indenture is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 11.5 Governing Law. This Indenture will be governed and construed in accordance with the laws of the State, without regard to conflict of law principles.

Section 11.6 Execution in Counterparts. This Indenture may be executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 11.7 Notices. All notices, certificates or other communications will be sufficiently given and will be deemed given when delivered or mailed by certified or registered mail, postage prepaid, as follows: if to the Authority, to the Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732, Attention: Director of Finance; if to the LGC, to the North Carolina Local Government Commission, 3200 Atlantic Avenue, Longleaf Building, Raleigh, North Carolina 27604, Attention: Secretary; if to the Trustee, to The Bank of New York Mellon Trust Company,

N.A., 10161 Centurion Parkway North, Jacksonville, Florida 32256, Attention: Corporate Trust Division; if any Series of the Bonds are rated by Moody's, then to Moody's Investors Service, 99 Church Street, New York, New York 10003; and if any Series of the Bonds are rated by S&P, then to Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., 55 Water Street, New York, New York 10041. The Authority and the Trustee, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent.

The Trustee has the right to accept and act on directions or instructions given by the Authority pursuant to this Indenture or any other document reasonably relating to the Bonds and delivered using Electronic Means; provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing Authorized Officers with the authority to provide such directions or instructions (each an "*Authorized Officer*") and containing specimen signatures of such Authorized Officers, which incumbency certificate will be amended whenever a person is to be added or deleted from the listing. If the Authority elects to act on such directions or instructions, the Trustees' understanding of such directions or instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such directions or instructions and that the Trustee will conclusively presume that directions or instructions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority is responsible for ensuring that only Authorized Officers transmit such directions or instructions to the Trustee and that all Authorized Officers treat applicable user and authorization codes, passwords and/or authentication keys as confidential and with extreme care. The Trustee is not liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance on and compliance with such directions or instructions notwithstanding such directions or instructions conflict or are inconsistent with a subsequent written direction or written instruction. The Authority agrees: (1) to assume all risks arising out of the use of Electronic Means to submit directions or instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized directions or instructions, and the risk of interception and misuse by third parties; (2) that it is fully informed of the protections and risks associated with the various methods of transmitting directions or instructions to the Trustee and that there may be more secure methods of transmitting directions or instructions; (3) that the security procedures (if any) to be followed in connection with its transmission of directions or instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances and (4) to notify the Trustee immediately on learning of any compromise or unauthorized use of the security procedures.

Section 11.8 *Payments Due on Holidays.* If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next day that is a Business Day with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.9 *No Recourse Against Members, Officers or Employees of Authority or LGC.* No recourse under, or on, any statement, obligation, covenant, or agreement contained in this Indenture, or in any Bond hereby secured, or in any document or certification whatsoever, or under any judgment obtained against the Authority or the LGC or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise or under any circumstances, shall be had against any member, officer or employee, as such, of the Authority or the LGC, either directly or through the Authority for the payment for or to, the Authority or the LGC or any receiver of either of them, or for, or to, any Owner or otherwise, of any sum that may be due and unpaid on any such Bond. 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 such member, officer or employee, as such, to respond by reason of any act or omission on his or her part or otherwise, for the payment for, or to, the Authority or the LGC or any receiver of either of them, or for, or to, any Owner of any sum that may remain due and unpaid on the

Bonds hereby secured or any of them, is hereby expressly waived and released as an express condition of, and in consideration for, the execution of this Indenture and the issuance of the Bonds.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Indenture to be executed in their respective names and their respective seals to be hereto affixed and, with respect to the Authority, attested by their duly authorized officials or officers, all as of the date first above written.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

[SEAL]

Attest:

By:

Chair

Clerk to the Board

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO AMENDED AND RESTATED GENERAL TRUST INDENTURE]

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

By: _____

Vice President

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

and

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

as Trustee

SERIES INDENTURE, NUMBER 2

Dated as of
May 1, 2022

*Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT), Series 2022A*

SERIES INDENTURE, NUMBER 2
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[To be updated.]

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SERIES INDENTURE, NUMBER 2

THIS SERIES INDENTURE, NUMBER 2 dated as of May 1, 2022 (the “*Series Indenture*,” and together with the General Indenture and any supplements and amendments thereto and hereto made in accordance therewith and herewith, this “*Indenture*”), is by and between the **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY** (the “*Authority*”), a body corporate and politic of the State of North Carolina, and **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, the trustee (the “*Trustee*”), acting through its corporate trust offices in Jacksonville, Florida, duly organized and existing under the laws of the United States of America, being authorized to accept and execute trusts of the character herein set out.

WITNESSETH:

WHEREAS, the Authority proposes to issue a series of bonds hereunder (the “*2022A Bonds*”) and under that certain General Trust Indenture dated as of September 1, 2016 (the “*General Indenture*”) between the Authority and the Trustee, and to apply the proceeds of the 2022A Bonds to (a) pay the cost of certain improvements to the Authority’s Airport System (the “*Project*”), (b) fund the interest accruing on the 2022A Bonds during construction of the Project, (c) fund a debt service reserve fund for the 2022A Bonds and (d) pay the fees and expenses incurred in connection with the sale and issuance of the 2022A Bonds;

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

ARTICLE I

DEFINITIONS

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

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

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

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

“*General Indenture*” means the General Trust Indenture, dated as of September 1, 2016, between the Authority and the Trustee, and any amendments and supplements thereto, which following the issuance of the 2022A Bonds and the consent to the amendment by a majority of owners of the Bonds then Outstanding under the General Indenture will be amended and restated by the Amended and Restated General Trust Indenture, dated as of May 1, 2022, between the Authority and the Trustee, as may be further supplemented and amended.

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

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

“*Owner*,” when used in this Series Indenture, means a registered owner of a 2022A Bond.

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

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

“*Project*” means, collectively, any or all of those items described in Exhibit C hereto, which are financed, together with other available funds, from the proceeds of the 2022A Bonds.

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

“*Redemption Date*” means the date on which 2022A Bonds have been called for redemption or are to be redeemed pursuant to this Series Indenture.

“*Redemption Price*” means, with respect to any 2022A Bond, the principal amount thereof plus accrued interest to the Redemption Date.

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

“*Series Indenture*” means this Series Indenture, Number 2 and any supplements and amendments hereto made in accordance herewith.

“*Tax Certificate*” means the Tax Certificate dated as of May __, 2022 by the Authority related to the 2022A Bonds.

“*2022A Bonds*” means the Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2022A to be issued under the Indenture.

“*2022A Capitalized Interest Account*” means the account by that name in the Construction Fund created under Section 5.2.

“*2022A Construction Account*” means the account by that name in the Construction Fund created under Section 5.2.

“*Underwriters*” mean Raymond James & Associates, Inc. and _____, as underwriters of the 2022A Bonds.

[END OF ARTICLE I]

ARTICLE II

THE 2022A BONDS

Section 2.1 Authorized Amount of Bonds. No 2022A Bond may be issued under the provisions of the Indenture except in accordance with this Article. The total principal amount of 2022A Bonds that may be issued is hereby expressly limited to \$ _____, except as provided in Sections 3.4 and 3.5 of the General Indenture.

Section 2.2 Issuance of Bonds. The 2022A Bonds will be designated “Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2022A.” The 2022A Bonds will be issuable as fully registered bonds in any Authorized Denomination. The 2022A Bonds will be numbered from RA-1 consecutively upwards. The 2022A Bonds will be substantially in the form set forth in Exhibit A, with such appropriate variations, omissions and insertions as are permitted or required by the Indenture.

Section 2.3 Delivery of 2022A Bonds. Before the delivery by the Trustee of any of the 2022A Bonds, the items required under Section 2.4 of the General Indenture must be filed with the Trustee.

Section 2.4 Details of 2022A Bonds; Payment.

(a) The 2022A Bonds will mature on July 1 of the years and in the amounts and will bear interest (computed on the basis of a 360-day year of twelve 30-day months) as follows:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
2023			2035		
2024			2036		
2025			2037		
2026			2038		
2027			2039		
2028			2040		
2029			2041		
2030			2042		
2031			2043		
2032			2044		
2033			2045		
2034			2046		

(b) Both the principal of and the interest on the 2022A Bonds are payable in any lawful coin or currency of the United States of America which on the respective dates of payment thereof is legal tender for the payment of public and private debts. Each 2022A Bond shall bear interest until its principal sum has been paid, but if such 2022A Bond has matured or has been called for redemption and the Redemption Date has occurred and funds are available for the payment thereof in full in accordance with the terms of the Indenture, such 2022A Bond shall then cease to bear interest as of the maturity date or Redemption Date. The 2022A Bonds will be dated as of the date of their initial delivery, except that 2022A Bonds issued in exchange for or on the registration of transfer of 2022A Bonds will be dated as of the Interest Payment Date preceding the day of authentication thereof, unless (1) the date of such authentication precedes

_____, 15, 20____, in which case they will be dated as of the date of their initial delivery, (2) the date of such authentication is between the Record Date and an Interest Payment Date, in which case they will be dated as of such following Interest Payment Date or (3) the date of such authentication is an Interest Payment Date to which interest on the 2022A Bonds has been paid in full or duly provided for in accordance with the terms of the Indenture, in which case they will be dated as of such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on the 2022A Bonds is in default, the 2022A Bonds executed and delivered in exchange for or on registration of transfer of the 2022A Bonds will be dated as of the date to which interest on the 2022A Bonds has been paid in full. If no interest has been paid on the 2022A Bonds, the 2022A Bonds executed and delivered in exchange for or on the registration of transfer of the 2022A Bonds will be dated the date of initial authentication and delivery thereof.

(c) The 2022A Bonds will be delivered by means of a book-entry system with no physical distribution of definitive 2022A Bonds made to the public. One definitive 2022A Bond for each maturity is to be delivered to The Depository Trust Company (“DTC”), and immobilized in the custody of the Trustee on behalf of DTC. A book-entry system will be employed, evidencing ownership of the 2022A Bonds in denominations of \$5,000 or any integral multiple thereof, with transfers of beneficial ownership effected on the records of DTC and its participants (the “DTC Participants”) pursuant to rules and procedures established by DTC.

Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant’s interest in the 2022A Bonds. Beneficial ownership interests in the 2022A Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the “Beneficial Owners.” The Beneficial Owners will not receive definitive 2022A Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its 2022A Bonds. Transfers of ownership interests in the 2022A Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE REGISTERED OWNER OF THE 2022A BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE 2022A BONDS FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL AND PREMIUM, IF ANY, AND INTEREST ON THE 2022A BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE INDENTURE.

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

If (a) DTC determines not to continue to act as securities depository for the 2022A Bonds or (b) the Trustee and the Authority determine to discontinue the book entry system in accordance with DTC’s rules and the Authority fails to identify another qualified securities depository to replace DTC, the Authority will deliver fully registered definitive 2022A Bonds to DTC in the denomination of \$5,000 or integral multiples thereof as such Owner may request.

THE AUTHORITY AND THE TRUSTEE HAVE NO RESPONSIBILITY OR OBLIGATION WITH RESPECT TO (A) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (B) THE PAYMENT BY DTC OR ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL OF AND PREMIUM, IF ANY, AND INTEREST ON THE 2022A BONDS; (C) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY DTC PARTICIPANT OF ANY NOTICE DUE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO OWNERS; (D) THE SELECTION OF BENEFICIAL OWNERS TO RECEIVE PAYMENTS IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE 2022A BONDS; OR (E) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE, CEDE & CO., AS OWNER.

(d) The 2022A Bonds and any premiums on the redemption thereof prior to maturity are payable in any lawful coin or currency of the United States of America, at the designated corporate trust office of the Trustee on presentation and surrender. Interest on the 2022A Bonds will be paid by the Trustee by check or draft mailed on the Interest Payment Date to each Owner as its name and address appear on the register kept by the Trustee at the close on the fifteenth day next preceding an Interest Payment Date. At the written request of any Owner of at least \$1,000,000 in aggregate principal amount of the 2022A Bonds and while a book-entry system is in place with respect to the 2022A Bonds, principal and interest may be payable by wire transfer at the address specified in writing by the Owner by the Record Date. CUSIP number identification with appropriate dollar amounts for each CUSIP number shall accompany all payments of principal of, premium, if any, and interest on any 2022A Bond, whether by check or by wire transfer.

(e) The Trustee is appointed as the Paying Agent, Authenticating Agent and Registrar for the 2022A Bonds.

Section 2.5 Arbitrage and Tax Covenants. The Authority covenants that it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income of the recipient thereof for federal income tax purposes of the interest on the 2022A Bonds, and, if it should take or permit, or omit to take or cause to be taken, any such action, the Authority will take or cause to be taken all lawful actions within its power necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof. The Authority acknowledges that the continued exclusion of interest on the 2022A Bonds from the Owner's gross income for federal income tax purposes depends, in part, on compliance with the arbitrage limitations imposed by Section 148 of the Code. The Authority covenants that it will comply with all the requirements of Section 148 of the Code, including the rebate requirements, and that it will not permit at any time any of the proceeds of the 2022A Bonds or other funds under their control be used, directly or indirectly, to acquire any asset or obligation, the acquisition of which would cause the 2022A Bonds to be "arbitrage bonds" for purposes of Section 148 of the Code. The Authority covenants that it will comply and will direct the Trustee to comply with the investment instructions in the Tax Certificate.

Section 2.6 Notification of LGC and Rating Agency. The Trustee hereby agrees to promptly notify the North Carolina Local Government Commission (the “LGC”), Moody’s, if the 2022A Bonds are rated by Moody’s, S&P, if the 2022A Bonds are rated by S&P, and Fitch, if the 2022A Bonds are rated by Fitch, at the address set forth in Section 8.6, of (1) any appointment of a successor Trustee, other than a successor by corporate acquisition, (2) any amendment or supplement to the Indenture, (3) any provision for payment of the 2022A Bonds in accordance with Article X of the General Indenture and (4) the giving of notice of the call for redemption of any 2022A Bonds under Section 3.2.

[END OF ARTICLE II]

ARTICLE III

REDEMPTION OF 2022A BONDS

Section 3.1 Optional Redemption of the 2022A Bonds. The 2022A Bonds maturing on or before July 1, 20__ are not subject to redemption prior to maturity. The 2022A Bonds maturing on or after July 1, 20__ will be subject to redemption, at the option of the Authority, from any funds that may be available for such purpose, either in whole or in part on any date on or after July 1, 20__, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the Redemption Date.

Section 3.2 Mandatory Sinking Fund Redemption. The 2022A Bonds maturing on July 1, 20__ (the “Term Bonds”) are subject to mandatory sinking fund redemption at the redemption price of 100% of the principal amount thereof, without premium, in amounts and on the dates as follows:

REDEMPTION DATE (JULY 1)	PRINCIPAL AMOUNT	REDEMPTION DATE (JULY 1)	PRINCIPAL AMOUNT
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*Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the Authority may (a) deliver to the Trustee for cancellation, Term Bonds or portions thereof (in Authorized Denominations) in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation for the Term Bonds (in Authorized Denominations) which prior to said date have been purchased or redeemed (otherwise than through mandatory redemption pursuant to this Section) and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each such Term Bond or portion thereof so delivered or previously purchased or redeemed and cancelled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to redeem the Term Bonds on such mandatory redemption date, and any excess over such amount shall be credited against future mandatory redemption obligations in chronological order, unless otherwise designated by the Authority, and the principal amount of the Term Bonds so to be redeemed shall be accordingly reduced.

The Authority will on or before the 45th day next preceding each such mandatory redemption date furnish the Trustee with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding paragraph are to be availed of with respect to such mandatory redemption payment.

Section 3.3 Notice of Redemption. Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the LGC by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC’s rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2022A Bonds, by Mail to the then-registered Owners of 2022A Bonds to be redeemed at the last address shown on the registration books kept by the Registrar and (3) to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB.

Notwithstanding anything herein to the contrary, the only remedy for failure by the Trustee to post any notice with the MSRB via its electronic format is an action by the holders of the 2022A Bonds in mandamus for specific performance or similar remedy to compel performance.

Neither the failure to mail the notice nor any defect in any notice mailed shall affect the sufficiency of the proceeding for the redemption of any 2022A Bonds as to which no such defect or failure occurred. Such notice must (1) specify the 2022A Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2022A Bonds are to be redeemed, the numbers of the 2022A Bonds and the portions of 2022A Bonds to be redeemed, (2) if sufficient money is not then on deposit in the Debt Service Fund to pay the full Redemption Price of the 2022A Bonds, state that the proposed optional redemption is conditioned on there being sufficient money on deposit in the Debt Service Fund to pay the Redemption Price of the 2022A Bonds called for redemption, and (3) state that on the Redemption Date, the 2022A Bonds to be redeemed will cease to bear interest. The Authority may revoke any optional redemption for which notice has been given on written instruction to the Trustee delivered in sufficient time for the Trustee to give notice thereof at least five days before the Redemption Date (or if DTC or its nominee is the registered Owner of the 2022A Bonds, such shorter time as permitted by DTC's rules and procedures) to the persons to whom and in the manner in which the notice of redemption was given.

The actual receipt by any Owner of a 2022A Bond of notice of redemption is not a condition precedent to redemption, and failure to receive notice shall not affect the validity of the proceedings for the redemption of the 2022A Bonds or the cessation of interest on the Redemption Date. Notice of redemption of the 2022A Bonds shall be given by the Trustee at the expense of the Authority.

If money is on deposit in the Debt Service Fund to pay the Redemption Price of the 2022A Bonds called for redemption and premium, if any, thereon on a Redemption Date, 2022A Bonds or portions thereof thus called and provided for as hereinabove specified will not bear interest after such Redemption Date and will not be considered to be Outstanding or to have any other rights under the Indenture other than the right to receive payment. No payment of principal will be made by the Paying Agent on any 2022A Bonds or portions thereof called for redemption until such 2022A Bonds or portions thereof have been delivered for payment or cancellation or the Paying Agent has received the items required by Section 3.5 of the General Indenture with respect to any mutilated, lost, stolen or destroyed 2022A Bonds.

Section 3.4 Selection of 2022A Bonds To Be Redeemed. If less than all of the 2022A Bonds are called for redemption under Section 3.1, the Authority shall determine the maturities and amounts thereof to be redeemed. If a book-entry system through DTC is used for determining beneficial ownership of the 2022A Bonds and less than all the 2022A Bonds of any maturity are called for redemption, DTC shall select the 2022A Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system through DTC or any other securities depository for determining beneficial ownership of the 2022A Bonds has been discontinued, the Trustee shall select the 2022A Bonds to be redeemed by lot in such manner at the Trustee in its discretion may deem proper, but, in any event, the portion of any 2022A Bond to be redeemed must be in an Authorized Denomination.

If a 2022A Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2022A Bond may be redeemed, but only in a principal amount such that the unredeemed portion of such 2022A Bond is equal to an Authorized Denomination. For any 2022A Bond in a denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2022A Bond as representing a single 2022A Bond in the minimum Authorized Denomination plus that number of 2022A Bonds that is obtained by dividing the remaining principal amount of such 2022A Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the Authorized Denominations of principal amount represented by any 2022A Bond is to be called for redemption, then, on notice of intention to redeem such Authorized Denominations of principal amount of such 2022A Bond, the Owner of such 2022A Bond, on surrender of such 2022A Bond to the Paying Agent for payment of the principal amount of such 2022A Bond, will be entitled to receive new 2022A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2022A Bond. New 2022A Bonds representing the unredeemed balance of the principal amount of such 2022A Bonds will be issued to the Owner thereof without charge therefor.

If the Owner of any 2022A Bond of a denomination greater than the amount being redeemed fails to present such 2022A Bond to the Paying Agent for payment and exchange as aforesaid, such 2022A Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

Section 3.5 No Partial Redemption After Default. Anything in the Indenture to the contrary notwithstanding, if an Event of Default occurs and is continuing hereunder there will be no redemption of less than all of the 2022A Bonds Outstanding.

Section 3.6 Payment of Redemption Price. Subject to the Authority's option to revoke a redemption as set forth in Section 3.3, the Authority will cause to be deposited in the Debt Service Fund, solely out of the Trust Estate, an amount sufficient to pay the Redemption Price of 2022A Bonds to be redeemed on the Redemption Date, and such 2022A Bonds will be deemed to be paid within the meaning of Article X of the General Indenture.

[END OF ARTICLE III]

ARTICLE IV

AMENDMENTS

This Series Indenture and the rights and obligations of the Authority and the Owners may be modified or amended at the same times, in the same manner and for the same purposes as the General Indenture, but if the modification or amendment affects only the 2022A Bonds, the percentage to be applied under Section 7.3 of the General Indenture will be applied only to the Outstanding 2022A Bonds.

Before the Authority and the Trustee enter into any supplemental indenture pursuant to this Section, there must have been delivered to the Trustee and the Authority an opinion of Bond Counsel stating that such supplemental indenture is authorized or permitted by the Indenture, complies with the terms hereof, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms and will not adversely affect the federal income tax status of the 2022A Bonds.

The Authority will send a copy of all supplemental indentures to be executed and delivered under Section 7.3 of the General Indenture or for the purpose of issuing additional bonds under Section 6.8 of the General Indenture to Moody's, if the 2022A Bonds are rated by Moody's, S&P, if the 2022A Bonds are rated by S&P, and Fitch, if the 2022A Bonds are rated by Fitch, at least 10 days before the effective date thereof.

Notwithstanding anything in the General Indenture or this Series Indenture to the contrary, (1) any initial purchaser, underwriter or remarketing agent holding any 2022A Bonds or another Series of the Bonds issued after the issuance of the 2022A Bonds may, regardless of its intent to sell or distribute such Bonds in the future, consent as the Owner of such Bonds to any amendment or supplemental indenture as required or permitted by this Article, including any amendment or supplemental indenture that adversely affects the interests of other Owners, and (2) any such holder providing its consent under this Section is not entitled to receive, nor is the Authority required to provide, any prior notice or other documentation regarding such amendment or supplemental indenture.

[END OF ARTICLE IV]

ARTICLE V

APPLICATION OF BOND PROCEEDS; FUNDS AND ACCOUNTS; INVESTMENTS

Section 5.1 Application of Bond Proceeds and Other Funds. On delivery of the 2022A Bonds to the Underwriters, the Underwriters will transfer \$ _____, which is equal to \$ _____, the par amount of the 2022A Bonds, plus an original issue premium in the amount of \$ _____, less the Underwriters' discount in the amount of \$ _____, to the Trustee on behalf of the Authority. On receipt of the aggregate amount of \$ _____ from the Underwriter, the Trustee will deposit \$ _____ to the 2022A Construction Account, \$ _____ to the 2022A Capitalized Interest Account of the Construction Fund and \$ _____ to the Parity Reserve Account.

Section 5.2 Funds and Accounts. The Authority hereby establishes and creates (a) a "2022A Construction Account" and a "2022A Capitalized Interest Account" within the Construction Fund to keep the proceeds of the 2022A Bonds so deposited separate from the proceeds of any other series of Bonds issued under the General Indenture and (b) the Parity Reserve Account of the Reserve Fund. The Trustee shall disburse money in the 2022A Construction Account and the 2022A Capitalized Interest Account in the manner set forth in Section 5.3 below and money in the Parity Reserve Account as provided in Section 5.4 below.

Section 5.3 Application of 2022A Construction Account and the 2022A Capitalized Interest Account.

(a) The 2022A Construction Account will be applied for any of the following purposes:

- (1) the payment of Costs of Issuance related to the 2022A Bonds;
- (2) the payment of all other Costs of Construction; and
- (3) transfer to the Debt Service Fund to make up any deficiency therein in accordance with the priorities established in Section 5.4 of the General Indenture.

(b) The Trustee is directed to transfer the following amounts, without further direction or requisition, on the following dates from the 2022A Capitalized Interest Account of the Construction Fund to the Debt Service Fund to pay interest on the 2022A Bonds:

DATE

AMOUNT

(c) Earnings from the investment of money in each account of the Construction Fund will be retained in such account. On completion of the Project as described in sub-section (e), the balance in the 2022A Construction Account will be transferred to the Trustee and deposited in the Debt Service Fund and applied to the next payment(s) due on the 2022A Bonds. On the last date on which money in the 2022A Capitalized Interest Account is to be used to pay interest on the 2022A Bonds in accordance with this Section, the Trustee will transfer the balance in the 2022A Capitalized Interest Account to be applied to the next payment due on the 2022A Bonds, unless the Trustee has received prior written instructions

from the Authority Representative to transfer such money to the 2022A Construction Account because the Project has not yet been completed.

(d) On the filing from time to time with the Trustee of a requisition in the form of Exhibit B attached hereto, signed by a Authority Representative and, as to disbursements other than for Costs of Issuance, stating by general classification the purpose for which each disbursement is to be made and that such work was actually performed, such service was actually rendered or such materials, supplies or equipment actually delivered, installed or fabricated, the Trustee will make or cause to be made a disbursement from the 2022 Construction Account, as directed, for the payment of such Costs of Construction.

(e) On the completion of all extensions, additions and capital improvements to, or the acquisition, renewal or replacement of capital assets of, or purchasing and installing new equipment for the Airport System financed with the proceeds of the 2022A Bonds, the Authority will deliver a certificate to the Trustee stating the fact and date of such completion and stating that all of the Costs of Construction have been determined and paid (or that all of such Costs of Construction have been paid less specified claims which are subject to dispute and for which a retention in the 2022A Construction Account is to be maintained in the full amount of such claims until such dispute is resolved). On the receipt by the Trustee of such certificate, the Trustee will retain in the 2022A Construction Account the sum or sums equal to the amount estimated by the Authority to be necessary for payment of the items of Costs of Construction payable that are not then due and payable.

Section 5.4. Parity Reserve Account. Moneys held in the Parity Reserve Account shall be used for the purpose of paying principal of and interest on 2022A Bonds and any subsequent series of Bonds secured by the Parity Reserve Account if, on any date on which principal is due and payable or any Interest Payment Date of any 2022A Bonds or any subsequent series of Bonds secured by the Parity Reserve Account, the amounts in the Debt Service Fund for that Series of Bonds participating in the Parity Reserve Account are insufficient to pay in full the amount then due on such Series of Bonds. The Authority reserves the right to provide that a future Series of Bonds participate in the Parity Reserve Account on a parity basis with the 2022A Bonds; provided that there is deposited in the Parity Reserve Account an additional amount of money or a Qualified Reserve Fund Substitute, or a combination thereof, to bring the Reserve Requirement to an amount equal to the Reserve Requirement on all Bonds participating in the Parity Reserve Account on the date of issuance of such new series of Bonds. In such event, the Trustee may establish separate sub-accounts within the Parity Reserve Account for the sole purpose of tracking the proceeds of each Series of Bonds secured by the Parity Reserve Account; provided, however, that the participating Series of Bonds shall remain secured by the entire Parity Reserve Account.

Except as provided in this paragraph, all the provisions of Section 5.7 of the General Indenture regarding the Reserve Fund, including provisions regarding the valuation of investments therein, the reporting of such valuations by the Trustee and the transfer of any excess amount or the replenishment of any deficiency in the Reserve Fund (whether on account of a transfer from the Reserve Fund to the Debt Service Fund or on account of a valuation), shall be in accordance with the provisions of Section 5.7 of the General Indenture and are hereby incorporated by reference as if fully set forth herein. If, upon any valuation, the value of the Parity Reserve Account exceeds the Reserve Requirement, the excess amount, including investment earnings, shall be withdrawn and deposited by the Trustee into the Airport System Operating Fund, unless otherwise directed by the Authority.

[END OF ARTICLE V]

ARTICLE VI

CONTINUING DISCLOSURE COVENANT

The Authority agrees, in accordance with Rule 15c2-12 (the “*Rule*”) promulgated by the Securities and Exchange Commission (the “*SEC*”) and for the benefit of the Owners and the Beneficial Owners of the 2022A Bonds, as follows, to provide to the Municipal Securities Rulemaking Board (the “*MSRB*”):

(1) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2022, the audited financial statements of the Authority for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the Authority for such Fiscal Year to be replaced subsequently by audited financial statements to the Authority to be delivered within 15 days after such audited financial statements become available for distribution;

(2) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2022, the financial and statistical data as of a date not earlier than the end of the preceding Fiscal Year for the type of information included in the Official Statement dated May __, 2022 relating to the 2022A Bonds (the “*Official Statement*”) to the extent such items are not included in the audited financial statements referred to in (1) above:

[List of operating data to be inserted.]

(3) in a timely manner, not in excess of 10 business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the 2022A Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on any credit enhancements reflecting financial difficulties;
- (e) substitution of any credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2022A Bonds or other material events affecting the tax status of the 2022A Bonds;
- (g) modification of the rights of the Beneficial Owners of the 2022A Bonds, if material;
- (h) call of any of the 2022A Bonds, if material, and tender offers;

- (i) defeasance of any of the 2022A Bonds;
 - (j) release, substitution or sale of any property securing repayment of the 2022A Bonds, if material;
 - (k) rating changes;
 - (l) bankruptcy, insolvency, receivership or similar event of the Authority;
 - (m) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
 - (n) the appointment of a successor or additional trustee, or the change in the name of a trustee, if material;
 - (o) incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material; and
 - (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties; and
- (4) in a timely manner, notice of a failure of the Authority to provide required annual financial information described in (a) or (b) above on or before the date specified.

For purposes of this Article, “*financial obligation*” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. The term “*financial obligation*” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

The Authority agrees to provide all documents described in this Article in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The Authority agrees that its undertaking under this Article is intended to be for the benefit of the Owners and the Beneficial Owners of the 2022A Bonds and is enforceable by the Trustee (but only upon the Trustee being indemnified to its satisfaction for all fees, costs and expenses, including attorney’s fees, costs and expenses, in connection with such enforcement) or by any of them, including an action for specific performance of the Authority’s obligations under this Article, but a failure to comply will not be an event of default under Section 9.1 of the General Indenture and will not result in acceleration of the payment of the 2022A Bonds. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and Beneficial Owners of the 2022A Bonds.

The Authority may modify from time to time, consistent with the Rule, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Authority, but:

(1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Authority;

(2) the information to be provided, as modified, would have complied with the requirements of the Rule as of the date of the Official Statement, after taking into account any amendments or interpretations of the Rule as well as any changes in circumstances;

(3) any such modification does not materially impair the interest of the Owners or the Beneficial Owners, as determined by Bond Counsel or by the approving vote of the Owners of a majority in principal amount of the 2022A Bonds pursuant to Section 7.3 of the General Indenture.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The provisions of this Article terminate on payment, or provision having been made for payment in a manner consistent with the Rule, in full of the principal of and interest on the 2022A Bonds.

The Authority may discharge its undertakings described above by transmitting the documents or notices referred to above in a manner subsequently authorized or required by the SEC in lieu of the manner described above.

[END OF ARTICLE VI]

ARTICLE VII

MISCELLANEOUS

Section 7.1 Parties Interested Herein. Nothing in this Series Indenture expressed or implied is intended or will be construed to confer on, or to give to any person other than the Authority, the Trustee, the Paying Agent and the Owners, any right, remedy or claim under or by reason of this Series Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Series Indenture contained by and on behalf of the Authority or the Trustee will be for the sole and exclusive benefit of the Authority, the Trustee, the Paying Agent and the Owners.

Section 7.2 Titles, Headings, Captions, Etc. The titles, captions and headings of the articles, sections and subdivisions of this Series Indenture have been inserted for convenience of reference only and will in no way modify or restrict any of the terms or provisions hereof.

Section 7.3 Severability. If any provision of this Series Indenture is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 7.4 Governing Law. This Series Indenture is governed by and to be construed in accordance with the laws of the State of North Carolina, without regard to conflict of law principles. To the extent permitted by applicable law, jurisdiction for the resolution of any conflict arising from this Series Indenture shall lie exclusively with the General Court of Justice of the State of North Carolina, Buncombe County, or the U.S. District Court for the Western District of North Carolina. Any attempt to contravene this Section is an express violation of this Series Indenture.

Section 7.5 Execution in Counterparts. This Series Indenture may be executed in several counterparts, each of which is an original and all of which constitute but one and the same instrument.

Section 7.6 Notices. All notices, certificates or other communications will be sufficiently given and will be deemed given when delivered or mailed by certified or registered mail, postage prepaid, as follows: if to the Authority, to the Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732, Attention: Director of Finance; if to the LGC, to the North Carolina Local Government Commission, 3200 Atlantic Avenue, Longleaf Building, Raleigh, North Carolina 27604, Attention: Secretary; if to the Trustee, to The Bank of New York Mellon Trust Company, N.A., 10161 Centurion Parkway North, Jacksonville, Florida 32256 Attention: Corporate Trust Division; if to the Lender, to Raymond James Capital Funding, Inc., 719 Carillon Parkway, St. Petersburg, Florida 33716; Attention: Governmental Finance; if the 2022A Bonds are rated by Moody's, to Moody's Investors Service, 7 World Trade Center at 250 Greenwich Street, Public Finance Group - 23rd Floor, New York, New York 10007; if the 2022A Bonds are rated by S&P, to S&P Global Ratings, 55 Water Street, New York, New York 10041; and if the 2022A Bonds are rated by Fitch, then to Fitch, Inc., One State Street Plaza, New York, New York 10004.. Subject to Section 11.7 of the General Indenture, notices may also be given by Electronic Means to be immediately followed by written notice as set forth above. The Authority and the Trustee, may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications will be sent.

Section 7.7 Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Series Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next day that is a

Business Day with the same force and effect as if done on the nominal date provided in this Series Indenture.

Section 7.8 No Broker Confirmations. The Authority agrees that broker confirmations of investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered by the Trustee.

Section 7.9 E-Verify. The Trustee understands that “E-Verify” is a federal program operated by the United States Department of Homeland Security and other federal agencies, or any successor or equivalent program used to verify the work authorization of newly hired employees pursuant to federal law in accordance with Section 64-25(5) of the General Statutes of North Carolina, as amended. The Trustee uses E-Verify to verify the work authorization of its employees in accordance with Section 64-26(a) of the General Statutes of North Carolina, as amended. The Trustee will not use any subcontractors in connection with this Series Indenture.

Section 7.10 Consent to Amendment and Restatement of General Indenture. By their purchase of the 2022A Bonds upon the issuance thereof, the initial Beneficial Owners of the 2022A Bonds consent to the amendment of the General Indenture as provided in the Amended and Restated General Trust Indenture, in the form described in the Official Statement related to the 2022A Bonds and delivered to the Trustee concurrently therewith, and authorize, approve and consent to the execution and delivery of the Amended and Restated General Trust Indenture by the Authority and the Trustee following the issuance of the 2022A Bonds with the consent of the holders of the 2022A Bonds to such amendment and restatement as provided in this Section 7.10.

[END OF ARTICLE VII]

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the Authority and the Trustee have caused this Series Indenture to be executed in their respective names and their seal, if any, to be hereto affixed and, where needed, attested by their duly authorized officials or officers, all as of the date first above written.

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

By: _____

[SEAL]

ATTEST:

By: _____
Ellen M. Heywood
Clerk to the Board

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE SERIES INDENTURE, NUMBER 2]

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

By: _____
[Name]
Vice President

EXHIBIT A

FORM OF 2022A BOND

**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
AIRPORT SYSTEM REVENUE BOND (AMT)
SERIES 2022A**

No. RA-____ \$ _____

<u>INTEREST RATE</u>	<u>DATED DATE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
_____%		July 1,	

REGISTERED OWNER: CEDE & Co.

PRINCIPAL AMOUNT: _____ DOLLARS

The Greater Asheville Regional Airport Authority (the “*Authority*”), a body corporate and politic of the State of North Carolina (the “*State*”), for value received, promises to pay, but solely from the sources and in the manner hereinafter provided, to the Owner named above the Principal Amount stated above on the Maturity Date set forth above (or earlier as hereinafter described), and to pay such Owner at his address as it appears on the register kept by The Bank of New York Mellon Trust Company, N.A., the Registrar for the 2022A Bonds, at the close of business on the 15th day of the month preceding each hereinafter-described Interest Payment Date (each, a “*Record Date*”), interest on such Principal Amount at the Interest Rate set forth above from the Interest Payment Date next preceding the date hereof unless (1) the date hereof precedes _____ 15, 2022, in which case this 2022A Bond will be dated as of the Dated Date, (2) the date hereof is between the Record Date and any July 1 and January 1, beginning _____ 1, 20__ (each, an “*Interest Payment Date*”), in which case this 2022A Bond will be dated as of such following Interest Payment Date or (3) the date hereof is any Interest Payment Date to which date interest on the 2022A Bonds has been paid in full or duly provided for in accordance with the terms of the Indenture, in which case this 2022A Bond will be dated from such Interest Payment Date; except that if, as shown by the records of the Paying Agent, interest on this 2022A Bond is in default, this 2022A Bond will be dated as of the date to which interest on this 2022A Bonds has been paid in full. If no interest has been paid on this 2022A Bond, this 2022A Bond will be dated the date of initial authentication and delivery thereof. Both principal and interest and any premium on the redemption before the maturity of all or part hereof are payable in lawful coin or currency of the United States of America.

THE 2022A BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY. THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2022A BONDS ARE NOT PAYABLE FROM THE GENERAL FUNDS OF THE AUTHORITY, NOR DO THEY CONSTITUTE A LEGAL OR EQUITABLE PLEDGE, CHARGE, LIEN, OR ENCUMBRANCE UPON ANY OF ITS PROPERTY OR UPON ANY OF ITS INCOME, RECEIPTS, OR REVENUES EXCEPT THE FUNDS WHICH ARE PLEDGED UNDER THE INDENTURE (HEREINAFTER DEFINED). NEITHER THE CREDIT NOR THE TAXING POWER OF THE STATE OR THE AUTHORITY ARE PLEDGED FOR THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE 2022A BONDS, AND NO OWNER OF THIS 2022A BOND HAS THE RIGHT TO COMPEL THE EXERCISE OF THE TAXING POWER BY THE STATE OR THE AUTHORITY OR THE FORFEITURE OF ANY OF ITS PROPERTY IN CONNECTION WITH ANY DEFAULT.

BY PURCHASING THIS 2022A BOND, THE OWNER AGREES TO THE AMENDMENTS TO THE GENERAL INDENTURE (AS DEFINED HEREIN) INCLUDED IN THE AMENDED AND RESTATED GENERAL TRUST INDENTURE, DATED AS OF MAY 1, 2022, BETWEEN THE AUTHORITY AND THE TRUSTEE, WHICH WILL BECOME EFFECTIVE UPON THE ISSUANCE OF THE 2022A BONDS AND THE CONSENT TO THE

AMENDMENT BY A MAJORITY OF THE OWNERS OF THE BONDS THEN OUTSTANDING UNDER THE GENERAL INDENTURE.

The 2022A Bonds will be delivered by means of a book-entry system with no physical distribution of definitive 2022A Bonds made to the public. One definitive 2022A Bond for each maturity will be delivered to The Depository Trust Company (“DTC”), and immobilized in the custody of the Trustee on behalf of DTC. A book-entry system will be employed, evidencing ownership of the 2022A Bonds in Authorized Denominations (hereinafter defined) with transfers of beneficial ownership effected on the records of DTC and its participants (the “DTC Participants”) pursuant to rules and procedures established by DTC. Each DTC Participant will be credited in the records of DTC with the amount of such DTC Participant’s interest in the 2022A Bonds. Beneficial ownership interests in the 2022A Bonds may be purchased by or through DTC Participants. The holders of these beneficial ownership interests are hereinafter referred to as the “Beneficial Owners.” The Beneficial Owners will not receive definitive 2022A Bonds representing their beneficial ownership interests. The ownership interests of each Beneficial Owner will be recorded through the records of the DTC Participant from which such Beneficial Owner purchased its 2022A Bonds. Transfers of ownership interests in the 2022A Bonds will be accomplished by book entries made by DTC and, in turn, by DTC Participants acting on behalf of Beneficial Owners. SO LONG AS CEDE & CO., AS NOMINEE FOR DTC, IS THE OWNER OF THE 2022A BONDS, THE TRUSTEE SHALL TREAT CEDE & CO. AS THE ONLY OWNER OF THE 2022A BONDS FOR ALL PURPOSES UNDER THE INDENTURE, INCLUDING RECEIPT OF ALL PRINCIPAL AND PREMIUM, IF ANY, AND INTEREST ON THE 2022A BONDS, RECEIPT OF NOTICES, VOTING AND REQUESTING OR DIRECTING THE TRUSTEE TO TAKE OR NOT TO TAKE, OR CONSENTING TO, CERTAIN ACTIONS UNDER THE INDENTURE.

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

If (a) DTC determines not to continue to act as securities depository for the 2022A Bonds or (b) the Trustee and the Authority determine to discontinue the book entry system in accordance with DTC’s rules and the Authority fails to identify another qualified securities depository to replace DTC, the Authority will deliver fully registered definitive 2022A Bonds to each Beneficial Owner in the denomination of \$5,000 or integral multiples thereof as such Owner may request.

The Authority, the Paying Agent and the Trustee have no responsibility or obligation with respect to (a) the accuracy of any records maintained by DTC; (b) the payment by DTC of any amount in respect of the principal of and premium, if any, and interest on the 2022A Bonds; (c) the delivery or timeliness of delivery by DTC of any notice due to any Beneficial Owner which is required or permitted under the terms of the Indenture (hereinafter defined) to be given to the Owners; (d) the selection of Owners to receive payments in the event of any partial redemption of the 2022A Bonds; or (e) any consent given or other action taken by DTC, or its nominee.

This Bond is one of an issue of Bonds designated “Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2022A” (the “2022A Bonds”) issued under a General Trust Indenture, dated as of September 1, 2016, between the Authority and the Trustee, as amended from time to time (the “General Indenture”), and Series Indenture, Number 2 dated as of May 1, 2022 (the “Series Indenture” and, together with the General Indenture and all amendments and supplements thereto, being hereinafter referred to collectively as the “Indenture”) between the Authority and the Trustee. Unless the

context indicates otherwise, all capitalized, undefined terms used herein have the meanings ascribed to them in the Indenture.

The 2022A Bonds are being issued to (a) pay the cost of certain improvements to the Authority's Airport System (the "Project"), (b) fund the interest accruing on the 2022A Bonds during construction of the Project, (c) fund a debt service reserve fund for the 2022A Bonds and (d) pay the fees and expenses incurred in connection with the sale and issuance of the 2022A Bonds.

The 2022A Bonds will be on parity with existing Bonds issued and outstanding under the General Indenture and any additional Bonds (collectively, the "Bonds") issued by the Authority under the General Indenture. The Bonds, together with interest thereon, are special obligations of the Authority payable solely from Revenues (except to the extent paid out of moneys attributable to Bond proceeds or the income from the temporary investment thereof and, under certain circumstances, proceeds from insurance and condemnation awards) after payment of the Current Expenses of the Airport System and constitute a valid claim of the respective Owners thereof only against the funds and other moneys held by the Trustee for the benefit of the Owners of the Bonds, which amounts are pledged and assigned pursuant to the Indenture for the equal and ratable payment of the Bonds and will be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds, except as may be otherwise expressly authorized in the Indenture. The 2022A Bonds, the Authority's Airport System Revenue Bond, Series 2016A, and any Additional Bonds issued under the General Indenture are parity obligations under the General Indenture

Pursuant to the Indenture the Authority has, for the benefit of the Owners of the Bonds, assigned the Authority's rights to all Net Revenues and to any and all money and securities in all of the funds and accounts held by the Trustee established under the Indenture to the Trustee in trust. The 2022A Bonds are additionally secured by a pledge, charge and lien upon the funds in the Parity Reserve Account.

Reference is made to the Indenture for a more complete statement of the provisions thereof and of the rights of the Authority, the Trustee and the Owners of the Bonds. Copies of the Indenture are on file and may be inspected at the corporate trust office of the Trustee in Jacksonville, Florida. The proposed amendments to the General Indenture notated on the face of this 2022A Bond have been made available and copies thereof are on file and may be inspected at the designated office of the Trustee in Jacksonville, Florida, during normal business hours of the Trustee. By the purchase and acceptance of this Bond, the Owner hereof signifies assent to all of the provisions of the aforementioned documents, including the amendment and restatement of the General Indenture as noted above.

This 2022A Bond is issued and the Indenture were made and entered into under and pursuant to the Constitution and laws of the State, and particularly in conformity with the provisions, restrictions and limitations of General Statutes of North Carolina Section 159-80 *et seq.*, as amended.

This 2022A Bond is exchangeable on the presentation and surrender hereof at the corporate trust office of the Registrar for a 2022A Bond or 2022A Bonds of other Authorized Denominations. On surrender for registration of transfer, duly endorsed for transfer or accompanied by an assignment duly executed by the Owner hereof or his or her attorney duly authorized in writing, the Registrar will authenticate and deliver in the name of the transferee or transferees a new fully registered 2022A Bond or 2022A Bonds. The Registrar may require the payment by any Owner requesting registration of transfer or exchange of 2022A Bonds of any tax, fee or other governmental charge required to be paid with respect to such registration of transfer or exchange. The Registrar is not required to register the transfer of or exchange any 2022A Bonds selected, called or being called for redemption in whole or in part. The person in whose name this 2022A Bond is registered will be deemed and regarded as the absolute owner hereof for all purposes, and payment of this 2022A Bond will be made only to or on the written order of

the Owner hereof to his or her legal representative. All such payments will be valid and effectual to satisfy and discharge this 2022A Bond to the extent of the sum or sums paid.

The 2022A Bonds maturing on or before July 1, 20__ are not subject to redemption prior to maturity. The 2022A Bonds maturing on or after July 1, 20__ will be subject to redemption, at the option of the Authority, from any funds that may be available for such purpose, either in whole or in part on any date on or after July 1, 20__, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the Redemption Date.

The 2022A Bonds maturing on July 1, 20__ (the “Term Bonds”) are subject to mandatory sinking fund redemption at the redemption price of 100% of the principal amount thereof, without premium, in amounts and on the dates as follows:

REDEMPTION DATE (JULY 1)	PRINCIPAL AMOUNT	REDEMPTION DATE (JULY 1)	PRINCIPAL AMOUNT
-------------------------------------	-----------------------------	-------------------------------------	-----------------------------

*Maturity

At its option, to be exercised on or before the 45th day next preceding any mandatory redemption date, the Authority may (a) deliver to the Trustee for cancellation, Term Bonds or portions thereof (in Authorized Denominations) in any aggregate principal amount desired, or (b) receive a credit in respect of its mandatory redemption obligation for the Term Bonds (in Authorized Denominations) which prior to said date have been purchased or redeemed (otherwise than through mandatory redemption pursuant to this Section) and cancelled by the Trustee and not theretofore applied as a credit against any mandatory redemption obligation. Each such Term Bond or portion thereof so delivered or previously purchased or redeemed and cancelled by the Trustee shall be credited by the Trustee at 100% of the principal amount thereof against the obligation of the Authority to redeem the Term Bonds on such mandatory redemption date, and any excess over such amount shall be credited against future mandatory redemption obligations in chronological order, unless otherwise designated by the Authority, and the principal amount of the Term Bonds so to be redeemed shall be accordingly reduced.

The Authority will on or before the 45th day next preceding each such mandatory redemption date furnish the Trustee with its certificate indicating whether or not and to what extent the provisions of (a) and (b) of the preceding paragraph are to be availed of with respect to such mandatory redemption payment.

Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the North Carolina Local Government Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC’s rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2022A Bonds, by Mail to the then-registered Owners of 2022A Bonds to be redeemed at the last address shown on the registration books kept by the Registrar and (3) to the Municipal Securities Rulemaking Board (the “MSRB”) in an electronic format as prescribed by the MSRB.

Notwithstanding anything herein to the contrary, the only remedy for failure by the Trustee to post any notice with the MSRB via its electronic format is an action by the holders of the 2022A Bonds in mandamus for specific performance or similar remedy to compel performance.

Such notice must (1) specify the 2022A Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2022A Bonds are to be redeemed, the numbers of the 2022A Bonds and the portions of 2022A Bonds to be redeemed, (2) state that on the Redemption Date, the 2022A Bonds to be redeemed will cease to bear interest and (3) if the redemption is conditional on the occurrence of one or more events, what the conditions for redemption are and the manner in which Owners will be notified if the conditions precedent to a redemption do not occur. Neither the failure to mail the notice nor any defect in any notice mailed shall affect the sufficiency of the proceeding for the redemption of any 2022A Bonds as to which no such defect or failure occurred.

If less than all of the 2022A Bonds are called for optional redemption described above, the Authority shall determine the maturities and amounts thereof to be redeemed. If a book-entry system through DTC is used for determining beneficial ownership of the 2022A Bonds and less than all the 2022A Bonds of any maturity are called for redemption, DTC shall select the 2022A Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system through DTC or any other securities depository for determining beneficial ownership of the 2022A Bonds has been discontinued, the Trustee shall select the 2022A Bonds to be redeemed by lot in such manner at the Trustee in its discretion may deem proper, but, in any event, the portion of any 2022A Bond to be redeemed must be in an Authorized Denomination.

If a 2022A Bond subject to redemption is in a denomination larger than the minimum Authorized Denomination, a portion of such 2022A Bond may be redeemed, but only in a principal amount such that the deemed portion of such 2022A Bond is equal to an Authorized Denomination. For any 2022A Bond denomination of more than the minimum Authorized Denomination, the Trustee shall treat each such 2022A Bond as representing a single 2022A Bond in the minimum Authorized Denomination plus that number of 2022A Bonds that is obtained by dividing the remaining principal amount of such 2022A Bond by the minimum Authorized Denomination.

If it is determined that one or more, but not all, of the 2022A Bonds are to be called for redemption, then, on notice of intention to redeem such 2022A Bonds, the Owner of such 2022A Bond, on surrender of such 2022A Bond to the Paying Agent for payment of the principal amount of the 2022A Bond, will be entitled to receive new 2022A Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such 2022A Bond. New 2022A Bonds representing the unredeemed balance of the principal amount of such 2022A Bonds will be issued to the Owner thereof without charge therefor.

If the Owner of any 2022A Bond of a denomination greater than the amount being redeemed fails to present such 2022A Bond to the Paying Agent for payment and exchange as aforesaid, such 2022A Bond will, nevertheless, become due and payable on the date fixed for redemption to the extent of the denomination being redeemed and to that extent only.

The Indenture permits amendment thereto on the agreement of the Authority and the Trustee and with the approval of the registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding. The Indenture also contains provisions permitting the Authority and the Trustee to enter into amendments to the Indenture without the consent of the Owners of the Bonds for certain purposes.

Any consent or request by the Owner of this 2022A Bond is conclusive and binding on such Owner and on all future Owners of this 2022A Bond and of any 2022A Bond issued on the transfer of this 2022A Bond whether or not notation of such consent or request is made on this 2022A Bond.

This 2022A Bond is issued with the intent that the laws of the State of North Carolina govern its legality, validity, enforceability and construction, without regard to conflict of law principles.

All acts, conditions and things required to happen, exist and be performed precedent to and in the issuance of this 2022A Bond and the execution of the Indenture have happened, existed and have been performed as so required.

This 2022A Bond is not valid or obligatory for any purpose or be entitled to any benefit or security under the Indenture until it has been authenticated by the execution by the Authenticating Agent (as defined in the Indenture) of the certificate of authentication endorsed hereon.

[SIGNATURES BEGIN ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY has caused this 2022A Bond to be executed with the manual or facsimile signatures of the Chair of the Authority and the Clerk to the Board of the Authority, and has caused the Authority's official seal or a facsimile thereof to be impressed or imprinted hereon.

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

By: _____

[SEAL]

ATTEST:

By: _____
Ellen M. Heywood
Clerk to the Board

[SIGNATURES CONTINUED ON THE FOLLOWING PAGE]

[COUNTERPART SIGNATURE PAGE TO THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
AIRPORT SYSTEM REVENUE BOND (AMT), SERIES 2022A]

The issue hereof has been approved under the
provisions of The State and Local Government Revenue Bond Act.

Sharon G. Edmundson
Secretary of the Local Government Commission

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

_____, 2022

This Bond is one of the Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2022A designated herein issued under the provisions of the within-mentioned Indenture.

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

By: _____
Vice President

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto:

(Please print or typewrite Name, Address,
including Zip Code, and Federal Taxpayer Identification or
Social Security Number of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

Attorney to register the transfer of the within Bond on the books kept for registration thereof,
with full power of substitution in the premises.

Dated: _____

Signature guaranteed by:

NOTICE: Signature must be guaranteed by a participant of the Securities Transfer Agent Medallion Program (“*STAMP*”) or similar program.

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within Bond in every particular, without alteration, enlargement or any change whatever.

TRANSFER FEE MAY BE REQUIRED

EXHIBIT B

FORM OF REQUISITION – 2022A BONDS

The Bank of New York Mellon Trust Company, N.A.
Attention: Corporate Trust Department

Re: Disbursement from the 2022A Construction Account of the Construction Fund (the "2022A Construction Account") relating to the Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2022A

Dear _____ :

Under Section 5.3 of Series Indenture, Number 2 dated as of _____ 1, 2022 (the "Second Series Indenture") between the Greater Asheville Regional Airport Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, we hereby request you to disburse from the 2022A Construction Account as follows:

- The amount to be disbursed is \$_____.
- The name and address of the person, firm or corporation to whom the disbursement should be made is as follows:

- The purpose of the disbursement is to _____.
- The disbursement herein requested is for service actually rendered.
- The disbursement is / is not (circle one) related to a Cost of Issuance.

Dated this ___ day of _____, _____.

**GREATER ASHEVILLE REGIONAL AIRPORT
AUTHORITY**

By: _____
Authority Representative

EXHIBIT C

THE PROJECT

The Project consists of all costs for the design, engineering, acquisition, construction, renovation and equipping of various capital improvements to the Airport System including, without limitation, (i) the expansion and modernization of the existing terminal, (ii) expansion and modernization of ticket lobby, TSA screening, baggage claim and concessions areas, (iii) improvements to existing supporting infrastructure, (iv) construction of a centralized energy plant, (v) renovation of the remaining portion of the existing terminal building, and (vi) construction of a new air traffic control tower.

Additional costs of the Project are being or may be paid from the proceeds of other bond issues by the Authority, PFCs, State and federal grants, Net Revenues and other funds available to the Authority.

[Red Herring Language] THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION OR AMENDMENT IN A FINAL OFFICIAL STATEMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the 2022A Bonds (as defined herein) offered hereby in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MAY __, 2022

New Issue/Book-Entry-Only

Ratings: [Fitch: ____
Moody's: ____
S&P: ____]
(See "RATINGS" herein)

In the opinion of Womble Bond Dickinson (US) LLP, Bond Counsel, which is based on existing law and assumes continuing compliance by the Authority (as defined below) with certain covenants to comply with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), interest on the 2022A Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation, except for any owner of a 2022A Bond who is a "substantial user" of the facilities financed with the proceeds of the 2022A Bonds or a "related person" of a "substantial user" (as such terms are defined in the Code). Bond Counsel is of the further opinion that interest on the 2022A Bonds will be exempt from all State of North Carolina income taxes. See "TAX TREATMENT" herein for a further discussion regarding the tax treatment of ownership and receipt of interest on the 2022A Bonds, including the alternative minimum tax treatment resulting from such ownership and receipt of interest.

\$ _____ *
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Airport System Revenue Bonds (AMT)
Series 2022A

Dated: Date of Delivery

Due: July 1, as shown on the inside cover

The bonds offered hereby (the "2022A Bonds") will be special obligations of the Greater Asheville Regional Airport Authority (the "Authority"), secured by and payable from the Net Revenues (as defined herein) of the Authority's Airport System (as defined herein) and, under certain circumstances, the proceeds of the 2022A Bonds, investment earnings and certain net insurance and other proceeds. The 2022A Bonds are being issued for the purpose of providing funds, together with other available funds, to (a) pay the cost of certain improvements to the Airport System as described herein (the "Project"), (b) fund the interest accruing on the 2022A Bonds during construction of the Project, (c) fund a debt service reserve fund for the 2022A Bonds and (d) pay the fees and expenses incurred in connection with the sale and issuance of the 2022A Bonds. **Neither the faith and credit nor the taxing power of the Authority is pledged for the payment of principal of or interest on the 2022A Bonds, and no registered owner of the 2022A Bonds has the right to compel the exercise of the taxing power by the Authority or the forfeiture of any of its property other than Net Revenues in connection with any default on the 2022A Bonds. The Authority has no taxing power.**

The 2022A Bonds will be initially issued as fully registered bonds and when delivered will be registered in the name of Cede & Co., as registered owner and nominee for The Depository Trust Company (“DTC”). DTC will act as the initial securities depository for the 2022A Bonds. Individual purchases of the 2022A Bonds by the beneficial owners will be made in denominations of \$5,000 or any whole multiple thereof. So long as Cede & Co. is the registered owner of the 2022A Bonds, as nominee for DTC, references herein to registered owners or Owners shall mean Cede & Co. and shall not mean the beneficial owners of the 2022A Bonds. So long as Cede & Co. is the registered owner of the 2022A Bonds, the principal of and interest on the 2022A Bonds are payable by the Trustee (as defined herein) to Cede & Co., as nominee for DTC, which will in turn remit such principal and interest to the DTC participants for subsequent disbursement to the beneficial owners. See Appendix F hereto.

The 2022A Bonds are subject to optional and mandatory sinking fund redemption as described herein.

The 2022A Bonds are offered subject to prior sale, when, as and if issued and accepted by the Underwriters, subject to the approval of their validity and certain other matters by Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, Bond Counsel. Certain legal matters will be passed upon for the Authority by Patla, Straus, Robinson & Moore, P.A., Asheville, North Carolina, Authority Counsel, and for the Underwriters by Butler Snow LLP, Richmond, Virginia, counsel to the Underwriters. PFM Financial Advisors LLC, Orlando, Florida, is acting as financial advisor to the Authority in connection with the sale and issuance of the 2022A Bonds. Landrum & Brown, Cincinnati, Ohio, has prepared the consultant’s report included in Appendix B hereto. It is expected that delivery of the 2022A Bonds will be made through the facilities of DTC on or about May __, 2022.

RAYMOND JAMES® _____

May __, 2022

* Preliminary; subject to change.

MATURITY SCHEDULE*

<u>Due July 1</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP No.**</u>
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* Preliminary; subject to change.

** CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Authority, the North Carolina Local Government Commission (the “Commission”) or the Underwriters and are included solely for the convenience of the holders of the 2022A Bonds. Neither the Authority, the Commission nor the Underwriters is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the 2022A Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2022A Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2022A Bonds.

No dealer, broker, salesman or other person has been authorized to give any information or to make any representation other than those contained in this Official Statement in connection with the offering described herein, and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the 2022A Bonds offered hereby, nor shall there be any offer or solicitation of such offer or sale of the 2022A Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Neither the delivery of this Official Statement nor the sale of any of the 2022A Bonds implies that the information herein is correct as of any date subsequent to the date thereof.

The information contained herein has been obtained from the Authority, the Commission and other sources believed to be reliable. The information contained herein is subject to change after the date of this Official Statement, and this Official Statement speaks only as of its date.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or hyperlinks contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12 ("Rule 15c2-12") promulgated by the Securities and Exchange Commission.

This Official Statement is deemed to be a final official statement with respect to the 2022A Bonds within the meaning of Rule 15c2-12, except, when it is in preliminary form, for the omission of certain pricing and other information authorized to be omitted by Rule 15c2-12.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE 2022A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

This Official Statement contains forecasts, projections, and estimates that are based on current expectations but are not intended as representations of fact or guarantees of results. If and when included in this Official Statement, the words "expects," "forecasts," "projects," "intends," "anticipates," "estimates," and analogous expressions are intended to identify forward-looking statements as defined in the Securities Act of 1933, as amended, and any such statements inherently are subject to a variety of risks and uncertainties, which could cause actual results to differ materially from those contemplated in such forward looking statements. These forward-looking statements speak only as of the date of this Official Statement. The Authority disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Authority's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statement is based.

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NORTH CAROLINA
DEPARTMENT OF STATE TREASURER



Dale R. Folwell, CPA
STATE TREASURER OF NORTH CAROLINA
DALE R. FOLWELL, CPA

LOCAL GOVERNMENT COMMISSION
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
SHARON EDMUNDSON, DEPUTY TREASURER

**Official Statement
of the North Carolina Local Government Commission
Concerning**

\$ _____ *
**GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
Airport System Revenue Bonds (AMT)
Series 2022A**

INTRODUCTION

The purpose of this Official Statement, which includes the appendices, is to provide certain information in connection with the issuance by the Greater Asheville Regional Airport Authority (the "Authority") of its \$ _____ * Airport System Revenue Bonds (AMT), Series 2022A (the "2022A Bonds"). The 2022A Bonds are being issued pursuant to a General Trust Indenture, dated as of September 1, 2016 (the "Original Indenture"), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and a Series Indenture, Number 2, dated as of _____ 1, 2022 (the "Second Series Indenture"), between the Authority and the Trustee. Pursuant to the Original Indenture, the Authority has heretofore issued the following series of bonds: (a) \$15,750,000 Airport System Revenue Bond, Series 2016A (the "2016A Bond"), \$14,990,000 of which is currently Outstanding, and (b) \$5,250,000 Taxable Airport System Revenue Bond, Series 2016B, which is no longer Outstanding.

In connection with the issuance of the 2022A Bonds, the Authority will amend and restate the Original Indenture pursuant to an Amended and Restated General Indenture, dated as of May 1, 2022 (the "General Indenture"), between the Authority and the Trustee. In order to become effective, the amendments to the existing Original Indenture require the consent of the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding under the Original Indenture. By their purchase of the 2022A Bonds, the initial beneficial owners of the 2022A Bonds consent to the execution and delivery of the General Indenture, which will be deemed to be their written consent to the amendments as required by the Original Indenture. On the issuance date of the 2022A Bonds, the proposed amendments will take effect and the General Indenture will be executed and delivered by the Authority and the Trustee with the issuance of the 2022A Bonds. The provisions of the General Indenture summarized in the Official Statement including the Appendices hereto reflect the amendment and restatement of the Original Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS – Amended and Restated General Indenture" herein.

* Preliminary; subject to change.

This introduction provides certain limited information to serve as a guide to the Official Statement and is expressly qualified by the Official Statement as a whole. Investors should make a full review of the entire Official Statement and the documents summarized or described herein.

Capitalized terms used herein and not otherwise defined shall have the same meanings given such terms in the General Indenture and Second Series Indenture unless otherwise indicated. For the definition of certain terms used herein and a summary of certain provisions of the General Indenture and the Second Series Indenture, see Appendix C hereto.

Authorization. The 2022A Bonds are being authorized and issued under Chapter 121 of the 2012 North Carolina Session Laws, as amended, and The State and Local Government Revenue Bond Act, Article 5 of Chapter 159, as amended, of the General Statutes of North Carolina (collectively, the “Act”) and a bond order adopted by the Authority on April 8, 2022. The issuance of the 2022A Bonds has been approved by the North Carolina Local Government Commission (the “Commission”). See Appendix D for certain information concerning the Commission and its functions.

Purpose. The 2022A Bonds are being issued for the purpose of providing funds, together with other available funds, to (a) pay the cost of certain improvements to the Authority’s Airport System (as defined herein) as described under “THE PROJECT” herein (the “Project”), (b) fund the interest accruing on the 2022A Bonds during construction of the Project, (c) fund a debt service reserve fund for the 2022A Bonds and (d) pay the fees and expenses incurred in connection with the sale and issuance of the 2022A Bonds.

Security. The 2022A Bonds will be special obligations of the Authority, secured by and payable from the Net Revenues of the Airport System (as defined below), and, under certain circumstances, the proceeds of the 2022A Bonds, investment earnings and certain net insurance and other proceeds. The Airport System means the Asheville Regional Airport (the “Airport”), located in Henderson and Buncombe Counties, North Carolina, including all related and ancillary facilities whether or not directly related to the air transportation of people and goods, and any other airport hereafter owned and operated by the Authority and designated as part of the Airport System in a Supplemental Indenture. The 2022A Bonds will be additionally secured by certain funds and accounts created under the General Indenture and the Second Series Indenture. The General Indenture provides that the 2022A Bonds will be secured by a pledge of the Net Revenues on a parity with the outstanding 2016A Bond and any additional bonds hereafter issued under the General Indenture (the 2016A Bond, the 2022A Bonds and any such additional bonds being collectively referred to herein as the “Bonds”). See “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS” herein.

Details of Bonds. The 2022A Bonds will be dated as of the date of delivery thereof. Interest on the 2022A Bonds will be payable on July 1 and January 1, beginning _____ 1, 20__, at the rates shown on the inside front cover hereof. Principal of the 2022A Bonds will be payable, subject to prior redemption as described herein, on July 1 in the years and amounts shown on the inside front cover hereof.

The 2022A Bonds will be issued as fully registered bonds in book-entry-only form, without physical delivery of bond certificates to the beneficial owners of the 2022A Bonds. The Trustee will make payment of principal of and interest on the 2022A Bonds to The Depository Trust Company (“DTC”), which will in turn remit such payment to its participants for subsequent distribution to the beneficial owners of the 2022A Bonds. Individual purchases of the 2022A Bonds by the beneficial owners will be made in denominations of \$5,000 or whole multiples thereof. See Appendix F hereto for a further description of DTC and its book-entry-only system.

The Airport and the Authority. The Authority operates the Airport, which is located approximately 15 miles south of Asheville, North Carolina. The Airport, which is designated as a “small hub” by the FAA, is used daily by scheduled commercial airline traffic, as well as general aviation, including business aviation and privately owned/operated aircraft, military aircraft, and aircraft used in flight training activities. See “THE AIRPORT” and “THE AUTHORITY” for particular information regarding the Airport and the Authority.

Tax Status. See “TAX TREATMENT” herein.

Professionals. Raymond James & Associates, Inc., Richmond, Virginia, and _____ (the “Underwriters”), are underwriting the 2022A Bonds. Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, is serving as Bond Counsel. Butler Snow LLP, Richmond, Virginia, is serving as counsel to the Underwriters. Patla, Straus, Robinson & Moore, P.A., Asheville, North Carolina, is Authority Counsel. The Bank of New York Mellon Trust Company, N.A., Jacksonville Florida, is serving as the Trustee. PFM Financial Advisors, LLC, Orlando, Florida, is serving as financial advisor to the Authority in connection with the sale and issuance of the 2022A Bonds. Landrum & Brown, Cincinnati, Ohio, has prepared the consultant’s report included in Appendix B hereto. It is expected that delivery of the 2022A Bonds will be made through the facilities of DTC on or about May __, 2022.

Continuing Disclosure. The Authority will undertake in the Second Supplemental Indenture to provide certain annual financial information and operating data and to provide notice of certain material events. See “CONTINUING DISCLOSURE” herein.

The COVID-19 Pandemic. The worldwide outbreak of a highly contagious, upper respiratory tract illness caused by a novel strain of coronavirus (“COVID-19”) has caused significant disruptions to domestic and international air travel, including both passenger traffic and cargo operations at airports. Airports in the United States, including the Airport, have been acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic shutdown resulting from the COVID-19 pandemic. The pandemic has adversely affected domestic and international travel and travel-related industries. For a more detailed discussion of the impact of the COVID-19 pandemic on the Airport, see “THE AIRPORT - Recent Developments Related to COVID-19 Pandemic” below and Appendix B hereto for more information on the impact of the COVID-19 pandemic on the Airport’s operations and finances.

Authority Financial Statements. The Authority’s basic financial statements have been audited by independent certified public accountants for each Fiscal Year through June 30, 2021. The Authority’s basic financial statements and the notes thereto, drawn from the Authority’s annual financial report for the Fiscal Year ended June 30, 2021, are included as Appendix A to this Official Statement.

Certain Investment Considerations. The 2022A Bonds may not be suitable for all investors and may involve investment risk. Prospective purchasers of the 2022A Bonds should read this entire Official Statement, including “RISK FACTORS AND INVESTMENT CONSIDERATIONS.” Such section contains a discussion of certain risks relating to the 2022A Bonds, the Authority, the Airport and the airline industry.

THE 2022A BONDS

Authorization

The 2022A Bonds will be issued pursuant to the Original Indenture and the Second Series Indenture. On the issuance date of the 2022A Bonds, the Original Indenture will be amended and restated

in the form of the General Indenture. The 2022A Bonds will be issued pursuant to the Act and an order which is expected to be adopted by the Authority on April 8, 2022.

The issuance of the 2022A Bonds received the required approval of the Commission on May 3, 2022. The Commission is a division of the State Treasurer's office charged with general oversight of local government finance in North Carolina. Its approval is required for all local government bond issues and substantially all other local government financing arrangements in North Carolina. In determining whether to allow bonds to be issued under the Act, the Commission has been given wide statutory discretion to consider the local government's capability to repay the amount financed from the pledged revenue sources and the local government's general compliance with State budget and finance laws. Under the Act, the Commission is also responsible, with the issuing unit's approval, for selling bonds issued pursuant to the Act. See Appendix D hereto for additional information on the Commission and its powers and duties.

General

The 2022A Bonds will be dated as of the date of delivery thereof, will bear interest from their date payable on each July 1 and January 1, beginning _____ 1, 20__, at the rates shown on the inside front cover hereof and will mature, subject to prior redemption as described below, on July 1 in the years and amounts shown on the inside front cover hereof. The 2022A Bonds will be issued as fully registered bonds and will be subject to the provisions of the book-entry-only system described below. Individual purchases of the 2022A Bonds by the beneficial owners will be made in denominations of \$5,000 or whole multiples thereof.

The 2022A Bonds will be issued as fully registered bonds in book-entry-only form without physical delivery of bonds to the beneficial owners of the 2022A Bonds. The Trustee will make payments of principal of and interest on the 2022A Bonds to DTC, which will in turn remit such payments to DTC participants for subsequent distribution to the beneficial owners of the 2022A Bonds as of the record date for such payments, which shall be the fifteenth day of the calendar month (whether or not a business day) next preceding the payment date. See Appendix F hereto for more information regarding DTC and its book-entry-only system.

Redemption Provisions

Optional Redemption. The 2022A Bonds maturing on or before July 1, 20__ are not subject to redemption prior to maturity. The 2022A Bonds maturing on or after July 1, 20__ will be subject to redemption, at the option of the Authority, from any funds that may be available for such purpose, either in whole or in part on any date on or after July 1, 20__, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the manner provided in the Second Series Indenture.

Mandatory Sinking Fund Redemption. The 2022A Bonds maturing on July 1, 20__, are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium, on July 1, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Maturity.

The 2022A Bonds maturing on July 1, 20__, are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium, on July 1, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

*Maturity.

Redemption Provisions. Notice of redemption will be given by the Trustee not less than 30 days nor more than 60 days before the Redemption Date (1) to the Commission by Mail or facsimile transmission, (2)(a) to DTC or its nominee by registered or certified mail at the address provided to the Trustee by DTC or as otherwise permitted by DTC's rules and procedures or (b) if DTC or its nominee is no longer the Owner of the 2022A Bonds, by Mail to the then-registered Owners of 2022A Bonds to be redeemed at the last address shown on the registration books kept by the Trustee and (3) to the Municipal Securities Rulemaking Board (the "MSRB") in an electronic format as prescribed by the MSRB. Neither the failure to mail the notice nor any defect in any notice mailed shall affect the sufficiency of the proceeding for the redemption of any 2022A Bonds as to which no such defect or failure occurred.

Such notice must (1) specify the 2022A Bonds to be redeemed, the Redemption Date, the Redemption Price and the place or places where amounts due on such redemption must be payable (which must be the principal office of the Paying Agent) and if less than all of the 2022A Bonds are to be redeemed, the numbers of the 2022A Bonds and the portions of 2022A Bonds to be redeemed, (2) if sufficient money is not then on deposit in the Debt Service Fund to pay the full Redemption Price of the 2022A Bonds, state that the proposed optional redemption is conditioned on there being sufficient money on deposit in the Debt Service Fund to pay the Redemption Price of the 2022A Bonds called for redemption, and (3) state that on the Redemption Date, the 2022A Bonds to be redeemed will cease to bear interest. The Authority may revoke any optional redemption for which notice has been given on written instruction to the Trustee delivered in sufficient time for the Trustee to give notice thereof before the Redemption Date (or if DTC or its nominee is the registered Owner of the 2022A Bonds, such shorter time as permitted by DTC's rules and procedures) to the persons to whom and in the manner in which the notice of redemption was given.

The actual receipt by any Owner of a 2022A Bond of notice of redemption is not a condition precedent to redemption, and failure to receive notice will not affect the validity of the proceedings for the redemption of the 2022A Bonds or the cessation of interest on the Redemption Date.

If less than all of the 2022A Bonds are called for redemption, the Authority will determine the maturities and amounts thereof to be redeemed. If a book-entry system through DTC is used for determining beneficial ownership of the 2022A Bonds and less than all the 2022A Bonds of any maturity are called for redemption, DTC will select the 2022A Bonds to be redeemed pursuant to its rules and procedures or, if the book-entry system through DTC or any other securities depository for determining beneficial ownership of the 2022A Bonds has been discontinued, the Trustee will select the 2022A Bonds to be redeemed by lot in such manner at the Trustee in its discretion may deem proper, but, in any event, the portion of any 2022A Bond to be redeemed must be in an Authorized Denomination.

If moneys are on deposit in the Debt Service Fund to pay the Redemption Price of the 2022A Bonds called for redemption and premium, if any, thereon on a redemption date, 2022A Bonds or portions thereof so called for redemption as provided above will not bear interest after such redemption date and will not be considered Outstanding or as having any other rights under the General Indenture other than the right to receive payment. If a portion of a 2022A Bond is called for redemption, a new 2022A Bond in principal amount equal to the unredeemed portion thereof will be issued to the Owner thereof upon surrender thereof.

SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS

General

The 2022A Bonds will be special obligations of the Authority, secured by and payable from the Net Revenues of the Airport System and, under certain circumstances, the proceeds of the 2022A Bonds, investment earnings and certain net insurance and other proceeds. The 2022A Bonds are not payable from the Authority's general funds and do not constitute a legal or equitable pledge, charge, lien or encumbrance on any of the Authority's property or on any of its income, receipts or revenues, except for the Net Revenues and other funds pledged to their payment. Neither the credit nor the taxing power of the Authority is pledged for the payment of principal of, premium, if any, or interest on the 2022A Bonds, and no Owner of the 2022A Bonds has the right to compel the exercise of the taxing power by the Authority or the forfeiture of any of its property other than Net Revenues in connection with any default on the 2022A Bonds. The Authority has no taxing power.

Amended and Restated General Indenture

In connection with the issuance of the 2022A Bonds, the Authority has proposed certain amendments to the Original Indenture, all of which will be set forth in the General Indenture by and between the Authority and the Trustee. In order to become effective, the amendments to the existing Original Indenture require the consent of the owners of not less than a majority in aggregate principal amount of the Bonds then outstanding under the Original Indenture. By their purchase of the 2022A Bonds, the initial beneficial owners of the 2022A Bonds consent to the execution and delivery of the General Indenture, which will be deemed to be their written consent to the amendments as required by the Original Indenture. On the issuance date of the 2022A Bonds, the proposed amendments will take effect, and the General Indenture will be executed and delivered by the Authority and the Trustee with the issuance of the 2022A Bonds.

The provisions of the General Indenture summarized in this Official Statement, including Appendix C hereto, reflect the amendment and restatement of the Original Indenture.

Pledge of Net Revenues

The Net Revenues of the Airport System are pledged to the payment of, and as security for the 2022A Bonds, the 2016A Bond and any other Bonds hereafter issued under the General Indenture. Net Revenues for any particular period means the excess of Revenues over Current Expenses. Revenues means all rates, tolls, fees, rentals, or other charges or other money received by the Authority in connection with the ownership, management and operation of the Airport System, and all parts thereof, including Customer Facility Charges and amounts received from the investment of money in any Fund or Account (but not including amounts received from interest or other investment income earned in the Construction Fund and, during the construction period, the Reserve Fund), all as calculated in accordance with generally accepted accounting principles, but will NOT include (1) net proceeds of insurance or condemnation awards or other extraordinary items, (2) any amounts collected by the Authority representing sales or use taxes which may be required by law or agreement to be paid to the State or a governmental unit thereof, (3) any interest rate subsidy received by the Authority from the United States Treasury pursuant to the Code, (4) any proceeds or any gain or loss from the extinguishment of debt or the sale, exchange or other disposition of capital assets, (5) any Transfer, (6) any Special Facilities Revenue or (7) any amounts otherwise included under this definition as Revenues but not permitted by law to be pledged under the General Indenture. Current Expenses generally means the Authority's current expenses for the operation, maintenance and current repair of the Airport System as calculated in accordance with generally accepted accounting principles except as otherwise provided in the General Indenture, except that Current Expenses do not include (a) any allowance for depreciation or replacements of capital assets of the Airport System, (b) money payable as interest on the Bonds or on Subordinate Indebtedness or Other Indebtedness, (c) money deposited or transferred to the Reserve Fund, if any, pursuant to the applicable Series Indenture, (d) any loss from extinguishment of debt or the sale, exchange or other disposition of capital assets, (e) any accrued expenses for other post-retirement benefits not resulting in (i) payments of such benefits to current or future retired employees or (ii) deposits of funds into an irrevocable trust for the purpose of making future payments of such benefits to current or future retired employees and (f) for purposes of compliance with the Rate Covenant and the additional Bonds covenant as more particularly described below under "Rate Covenant" and "Additional Bonds and Other Obligations Secured by or Payable from Net Revenues," any current expenses of operation, maintenance and current repair of the Airport System to the extent actually paid from federal or state grants awarded for such any such purpose and not constituting Revenues. See Appendix C for complete definitions of Revenues and Current Expenses.

The definition of Revenues excludes Passenger Facility Charges and grants and other charges authorized by federal and/or State laws or regulations to be assessed to fund specific programs at the Airport System or to pay debt service, except to the extent designated as Revenues in a Series Indenture. The Authority has not designated PFCs or the above-described grants as "Revenues." See "—Treatment of Passenger Facility Charges and Federal and State Grant Funds" below.

Rate Covenant

Under the General Indenture, before the beginning of each Fiscal Year, the Authority is required to fix, establish or maintain or cause to be fixed, established and maintained such rates and charges for the provision of services of the Airport System, and to revise or cause to be revised the same, as necessary, as will produce:

(a) Revenues that are at least equal in such Fiscal Year to the total of (1) the Current Expenses budgeted for such Fiscal Year, as may be amended from time to time, plus (2) 100% of the Aggregate Annual Debt Service on the Bonds to become due during that Fiscal Year plus (3) 100% of the remaining deposits required by flow of funds described below under “Funds and Accounts and Flow of Funds – Airport System Operating Fund”; and

(b) Net Revenues, together with any Transfer, that are at least equal in such Fiscal Year to 125% of the Aggregate Annual Debt Service on the Bonds to become due during that Fiscal Year.

“*Transfer*” means an amount for each Fiscal Year for which the calculation is made that is the sum of the following amounts for the Airport System Operating Fund and Surplus Fund:

(1) Airport System Operating Fund: the amount in the Airport System Operating Fund on the first Business Day of the Fiscal Year that would be available to pay Current Expenses of the Authority or to make any required payments or deposits to pay or secure the payment of the principal, purchase price or redemption premium of and interest on the Outstanding Bonds, less any amounts credited to the Surplus Fund from the Airport System Operating Fund as of the last Business Day of such Fiscal Year;

(2) Surplus Fund: the amount, if any, in the Surplus Fund on the last Business Day of the Fiscal Year, plus any amounts withdrawn from the Surplus Fund during that Fiscal Year to pay Current Expenses of the Authority or to make any required payments or deposits to pay or secure the payment of the principal, purchase price or redemption premium of and interest on the Outstanding Bonds;

provided, however, that, for purposes of complying with the Rate Covenant or the additional Bonds covenant set forth in the General Indenture, the amount of any Transfer for a Fiscal Year will not exceed 25% of Aggregate Annual Debt Service on the Outstanding Bonds in such Fiscal Year.

If the Authority fails to meet the Rate Covenant for any Fiscal Year as of the last day of such Fiscal Year (on the basis of actual revenues and expenditures as set forth in the General Indenture), the Authority is required to take all action necessary to increase Revenues and decrease Current Expenses as necessary to satisfy the Rate Covenant in the following Fiscal Year, including promptly retaining a Consultant to make recommendations as to a revision of rates, fees and charges and possible reductions in expenses which result in satisfying the Rate Covenant in the following Fiscal Year. See “Rate Covenant” in Appendix C for a description of the remedies if the Authority fails to meet the Rate Covenant in multiple years.

The Authority may not render free services except as permitted under FAA regulations; all users, including political subdivisions and public bodies (State or federal) who receive services from the Airport System will pay therefor at the established rates, fees and charges. The rates, fees and charges need not be uniform.

The Authority is required to deliver to the Trustee an audited calculation demonstrating compliance with the rate covenant within 180 days after the end of each Fiscal Year.

Treatment of Passenger Facility Charges and Federal and State Grant Funds

Federal legislation allows public agencies controlling commercial service airports with regularly scheduled service and enplaning 2,500 or more passengers annually to charge each enplaning passenger using the airport a facility charge referred to as a “passenger facility charge” or a “PFC.” Under current law the maximum PFC that may be charged by qualifying airports is \$4.50 on each enplaning passenger. Public agencies wishing to impose and use PFCs are required to apply to the FAA for authority to charge

the PFCs and meet the requirements specified in the legislation and regulations issued by the FAA. The purpose of PFCs is to develop additional capital funding resources for the expansion of the national airport system. PFCs are available to airports to finance specific eligible projects that (1) preserve or enhance capacity, safety or security of the national air transportation system, (2) reduce noise resulting from an airport or (3) furnish opportunities for enhanced competition among air carriers. As of March 2022, the FAA has approved the Authority's collection and use approximately \$46.3 million of PFCs to finance various projects. As of December 31, 2021, the Authority had collected approximately \$35.9 million of its total approved collection and had disbursed approximately \$25.4 million on approved projects. The current estimated charge expiration date is August 1, 2022. The Authority has submitted a new PFC application to the FAA for an additional \$100 million of PFCs for use on various projects including the Project. Upon approval of the PFC application, the PFC charge expiration date is expected to be extended through September 1, 2050.

Additionally, the Authority receives federal and state grant funds for various projects and as relief from the impacts of the COVID-19 pandemic. Some of such funds may be used to pay debt service on the Authority's indebtedness. The General Indenture allows the Authority to exclude from the calculation of Current Expenses (for purposes compliance with its the rate covenant and for compliance with the requirements under the General Indenture for issuing additional Bonds) any current expenses of operation, maintenance and current repair of the Airport System to the extent actually paid from federal or state grants awarded for such any such purpose and not constituting Revenues.

The Authority has not designated and, at present, does not intend to designate PFCs or the above-described federal and state grant funds (the "Grant Funds") as "Revenues" under the General Indenture, but the General Indenture provides that if PFCs or Grant Funds have either been applied to pay debt service on the Bonds or if PFCs or Grant Funds have been irrevocably committed to pay principal and interest on Bonds, then the principal and interest paid or to be paid from the PFCs or Grant Funds is excluded in calculating the Authority's compliance with its the rate covenant and for compliance with the requirements under the General Indenture for issuing additional Bonds. See "Rate Covenant" above and the definition of "Aggregate Annual Debt Service" in Appendix C.

Assuming that the FAA approves the Authority's above-described application for an additional \$100 million of PFCs, the Authority plans to apply a portion of the collected PFCs to pay principal and interest on the Bonds as permitted by the General Indenture. See Section 5.9 and Exhibit E of the Consultant's Report in Appendix B to the Official Statement for more information on the Authority's planned use of PFCs and Grant Funds to offset debt service on the 2022A Bonds and any additional Bonds issued for the Project. In the event the FAA application is not approved or the Grant Funds are not available as contemplated in the Consultant's Report, the Authority would have to pay debt service on the Bonds from other available funds of the Authority.

Funds and Accounts and Flow of Funds

Pursuant to the General Indenture, the Authority has established the following funds:

- (1) Airport System Operating Fund,
- (2) PFC Revenue Fund;
- (3) Debt Service Fund,
- (4) Construction Fund,

- (5) Reserve Fund,
- (6) **[Operating and Maintenance Reserve Fund]**, and
- (7) Surplus Fund.

The Debt Service Fund, the Construction Fund and the Reserve Fund are held by the Trustee. The remaining funds are held by one or more financial institutions determined from time to time by the Authority. For administrative convenience, each fund may be subdivided by the Authority or the Trustee in separate accounts with appropriate identification.

The moneys and securities held in the Debt Service Fund, the Construction Fund, the Operating and Maintenance Reserve Fund and the Reserve Fund are pledged under the General Indenture to secure payment of the Bonds. The moneys and securities held in the Airport System Operating Fund, the PFC Revenue Fund and the Surplus Fund are not pledged to secure payment of the Bonds. However, to the extent that there is a deficiency at any time in the Debt Service Fund, the Authority is required to cure such deficiency from moneys held in the Airport System Operating Fund, the Surplus Fund, the applicable account of the Reserve Fund, if any, and the Construction Fund and in the manner provided in the General Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS - Funds and Accounts and Flow of Funds – Debt Service Fund" herein.

If the Authority fails to satisfy the Rate Covenant and the Revenues continue to be insufficient to meet the Rate Covenant by the following Fiscal Year beginning on the July 1 twelve months after the beginning of the Fiscal Year during which the Authority failed to meet such Rate Covenant, the Trustee may, at the written direction of a majority of the registered Owners of the Bonds and on receiving indemnity satisfactory to the Trustee, and without an Event of Default having occurred and if in the second such year Net Revenues is less than 110% Aggregate Annual Debt Service on the Bonds, take possession of the Airport System Operating Fund and administer the application thereof. If the Trustee does so, it may disburse money in the Airport System Operating Fund in such manner as it may determine, notwithstanding the provisions of the General Indenture. If the Authority fails to satisfy the Rate Covenant and the Revenues continue to be insufficient to meet the Rate Covenant by the second Fiscal Year beginning on the July 1 twenty-four months after the beginning of the Fiscal Year during which the Authority failed to satisfy such Rate Covenant, an Event of Default will be deemed to have occurred and the Trustee may, at the written direction of a majority of the registered Owners of the Bonds and on receiving indemnity satisfactory to the Trustee, take possession of the Airport System Operating Fund. If the Trustee does so, it may disburse money in the Airport System Operating Fund in such manner as it may determine, notwithstanding the provisions of the General Indenture. The Trustee shall relinquish possession of the Airport System Operating Fund only on the delivery of a written Certificate of the Consultant, retained by the Authority pursuant to the General Indenture, or an Accountant certifying the Authority's compliance with the Rate Covenant. See "Rate Covenant" and "Remedies on Default" in Appendix C.

Airport System Operating Fund. The Authority is required to deposit all Revenues in the Airport System Operating Fund. The Authority will cause disbursements to be made from the Airport System Operating Fund as follows:

- (1) Directly to the Persons entitled thereto at any time as may be required, the amount required to pay the Current Expenses as shown in the Annual Budget for the current Fiscal Year;
- (2) To the Debt Service Fund, on or before the 25th day of the month preceding each Interest Payment Date, an amount such that (after taking into consideration amounts then on deposit in the Debt

Service Fund allocated to pay Interest) there will be in the Debt Service Fund an amount equal to the Interest due on the next Interest Payment Date;

(3) To the Debt Service Fund, on or before the 25th day of the month preceding each Principal Payment Date, an amount such that (after taking into consideration amounts then on deposit in the Debt Service Fund allocated to pay Principal due with respect to the Bonds) there will be in the Debt Service Fund an amount equal to the Principal due on the next Principal Payment Date;

(4) At any time as may be required, to the provider of any Qualified Reserve Fund Substitute in satisfaction of the then-current obligations of the Authority incurred in connection therewith;

(5) At any time as may be required, to the Trustee for deposit in the Reserve Fund, if any, (a) the amount necessary for the balance therein to equal the Reserve Requirement, but if the Revenues are insufficient therefor, to each account of the Reserve Fund pro rata on the basis of the Reserve Requirement for each Series of Bonds secured by an account of the Reserve Fund or (b) if the Reserve Fund is less than 90% of the Reserve Requirement as a result of a valuation of investments therein, the amount necessary for the balance therein to equal the Reserve Requirement; but the Authority is not required to transfer in any month more than an amount such that if the same amount were deposited in equal monthly installments over the subsequent 11 months, the Reserve Fund would equal the Reserve Requirement;

(6) At any time as may be required, to the Debt Service Fund, the amount necessary to make up any deficiencies therein in accordance with the priorities established by the General Indenture;

(7) [To the Operating and Maintenance Reserve Fund, an amount sufficient to equal two months of Current Expenses as shown in the Annual Budget;]

(8) At any time as may be required, to the Persons entitled to payment of any principal, premium, if any, or interest on any Subordinate Indebtedness in any amount necessary to pay the principal, premium or interest then due and owing;

(9) At any time as may be required, to the Persons entitled to payment with respect to any Other Indebtedness, an amount equal to the payment then due and owing;

(10) On the first day of each Fiscal Year, to the Surplus Fund, the balance remaining in the Airport System Operating Fund as of the last day of the preceding Fiscal Year after reserving an amount sufficient to pay the Current Expenses **[for the first two months of that Fiscal Year as shown in the Annual Budget]**.

Debt Service Fund. Amounts held in the Debt Service Fund will be used first to pay the interest on and then the principal or Redemption Price of all Bonds Outstanding under the General Indenture, all on a pro rata basis. If on any Interest Payment Date or Principal Payment Date, there is a deficiency in the Debt Service Fund, the amount of such deficiency will be made up from the following funds in the following order or priority: (1) Airport System Operating Fund, (2) Surplus Fund, (3) the account of the Reserve Fund securing a particular Series of Bonds to the extent such deficiency is attributable to such Series of Bonds and (4) Construction Fund.

Reserve Fund. The General Indenture establishes the Reserve Fund and provides that the related series indenture for each series of Bonds will establish the provisions for use of the Reserve Fund including whether the Reserve Fund is to be used for such series. In connection with the issuance of the

2022A Bonds, the Second Series Indenture provides for the establishment of the 2022A Bonds Account of the Reserve Fund.

[Discussion of DSRF to be inserted (parity, special, surety bond, etc.) prior to printing]

Construction Fund. Certain proceeds of the 2022A Bonds will be deposited in the Construction Fund held by the Trustee at closing. Amounts deposited in the Construction Fund, including investment earnings on the Construction Fund during construction of the Project, will be used to pay a portion of the costs of the Project and Capitalized Interest on the 2022A Bonds until _____, 20__ or will be transferred to the Debt Service Fund to make up any deficiency therein in accordance with the priorities described under the subheading "Debt Service Fund" above. Amounts on deposit in the Construction Fund are subject to a lien and charge in favor of the Owners of all Outstanding Bonds pending the application of such amounts to pay costs of the Project and other lawful charges against the Construction Fund.

Operating and Maintenance Reserve Fund. There will be deposited in the Operating and Maintenance Reserve Fund, all amounts required to be deposited therein pursuant to the Indenture or any Series Indenture and any other amount available therefor and determined by the Authority to be deposited therein. Money held in the Operating and Maintenance Reserve Fund is to be applied solely to pay Current Expenses to the extent funds available in the Airport System Operating Fund are insufficient therefor.

Surplus Fund. Money held in the Surplus Fund will be applied in the following order of priority: (1) first, to the Airport System Operating Fund to make up any deficiency therein to meet the obligations therefor; (2) second, to the Debt Service Fund to make up any deficiency therein in accordance with the order of priorities described above under "Debt Service Fund"; (3) third, to pay the Persons entitled thereto a termination payment under a Derivative Agreement; (4) fourth, to the Persons entitled to payment of any principal, premium, if any, or interest on any Subordinate Indebtedness, an amount equal to the principal, premium or interest then due and owing; (5) fifth, to the entities entitled to payment with respect to any Other Indebtedness, an amount equal to the payment then due and owing; and (6) sixth, for any lawful purpose from time to time authorized by the Authority.

PFC Revenue Fund. Under the General Indenture, the Authority will deposit all Passenger Facility Charges as received by the Authority into the PFC Revenue Fund, except for any Passenger Facility Charges that have been designated as "Revenues" as provided in the definition of Revenues in the General Indenture, in which event the Passenger Facility Charges designated as Revenues shall be deposited to the Airport System Operating Fund. Amounts deposited to the PFC Revenue Fund are not Revenues and are not subject to the provisions of the General Indenture regarding Revenues.

Additional Bonds and Other Obligations Secured by or Payable from Net Revenues

The 2022A Bonds are secured by a pledge on the Net Revenues on a parity with the 2016A Bond. Under the conditions and limitations set forth in the General Indenture and without the approval or consent of the Owners of any Outstanding Bonds, the Authority may issue additional Bonds secured by a pledge of the Net Revenues on a parity with the 2016A Bond and the 2022A Bonds. In addition, the Authority may incur Subordinate Indebtedness and Other Indebtedness to be paid from Revenues of the Airport System as provided in the General Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS – Additional Bonds and Other Obligations Secured by or Payable from Net Revenues" in Appendix C hereto.

Events of Default and Remedies; No Acceleration

Events of Default under the General Indenture and related remedies are described in the summary of certain provisions of the General Indenture in Appendix C, in particular under the caption “DEFAULTS AND REMEDIES.” The occurrence of an Event of Default does not grant any right to accelerate payment of the Bonds to either the Trustee, the Owners of the 2022A Bonds or the Owners of any other Bonds. The Trustee is authorized to take certain actions upon the occurrence of an Event of Default, including proceedings to enforce the obligations of the Authority under the General Indenture.

THE PROJECT

General

The Airport experienced six straight years of record growth in passenger enplanements, including a 43% increase in passengers in calendar year 2019. A passenger demand forecast completed in 2018 identified continued growth at a moderate rate through 2038. In connection with the forecast, in order to meet the demand of enplanements at the time of the forecast, approximately 90,000 square feet of additional space and four more gates with boarding bridges were identified as necessary. The report called for an increase of an additional 160,000 square feet of space to meet the long-range demand of the Airport. By the end of 2019, however, the Airport had already exceeded the total passenger demand forecast for 2038. The Authority subsequently undertook the design and planning process for the expansion and modernization of its existing terminal building (the “Project”) to meet growing passenger demand.

As part of the Project, the existing single level 115,000 square foot terminal building will be expanded to approximately 276,000 square feet of public space on two levels. The Project will expand the number of loading gates from seven to 12 gates equipped with passenger boarding bridges which will meet the FAA’s planning criteria for the Airport’s current passenger demand. In addition to gate expansion, the Project will also include:

- Expansion and modernization of ticket lobby, TSA screening, baggage claim and concessions areas;
- Improvements to existing supporting infrastructure;
- Construction of a centralized energy plant;
- Renovation of the remaining portion of the existing terminal building; and
- Construction of a new air traffic control tower.

Construction and Phasing

The Authority has entered into a _____, dated as of ____ __, 202_ (the “Project Contract”), with _____ (the “General Contractor”) to serve as the General Contractor for the Project. The Project will be phased over several years with initial enabling work already underway and an anticipated final completion date in the first quarter of calendar year 2026. Under the Project Contract, different work packages will be bid out from time to time to obtain guaranteed maximum prices (“GMPs”) for the components of the Project. At present, the Authority anticipates [3] work packages under the Project Contract. The first two packages have been bid with GMPs equaling \$_____, and

the Authority will award such bids on or about the date of issuance of the 2022A Bonds. The Authority anticipates that the final work package will be bid in October 2022 and awarded shortly thereafter. **[Is the control tower under the same contract or will there be a separate contract?]**

[Discussion of contract provisions for contingency and change orders to be included.]

Cost and Funding Sources

The Authority anticipates the total Project cost to be approximately \$[270,000,000]. The Authority will use the proceeds of the 2022A Bonds, an additional Series of Bonds to be issued by the end of calendar year 2022 (the “2022B Bonds”) and federal and State grant funds to pay for the costs of the Project. At present, the Authority anticipates that the 2022B Bonds will be issued in the approximate amount of \$_____ ; provided, however, that the Authority has applied to the FAA for \$_____ of grant funding for the Project under Airport Terminal Program created by the Bipartisan Infrastructure Law (“BIL Funding”) enacted in 2021. To the extent the Authority receives any BIL Funding, the amount of the 2022B Bonds would be reduced. The financial projections included in the Consultant’s Report as Appendix B hereto do not reflect the receipt of any BIL Funding.

ESTIMATED SOURCES AND USES OF FUNDS

The Authority estimates the sources and uses for the 2022A Bonds to be as follows:

Sources:

Par Amount of 2022A Bonds
 Net Original Issue Premium/Discount

Total

 \$ _____

Uses:

Project Costs
 Capitalized Interest
 Deposit to 2022A Bonds Account
 of the Reserve Fund
 Costs of Issuance¹

Total

 \$ _____

¹ Includes underwriter’s discount, legal fees, printing costs, rating agency fees, financial advisor fees, fees and expenses of the Trustee and miscellaneous fees and expenses.

ANNUAL DEBT SERVICE REQUIREMENTS

The following table sets forth for each Fiscal Year ending June 30, the amounts required for the payment of debt service related to the 2022A Bonds and the 2016A Bond.

Fiscal Year Ending <u>June 30,</u>	<u>2022A Bonds</u>		2016A <u>Bonds¹</u>	<u>Total</u>
	<u>Principal</u>	<u>Interest</u>		
2022			\$1,703,261	
2023			1,701,116	
2024			1,703,253	
2025			1,704,554	
2026			1,700,019	
2027			1,704,766	
2028			1,703,558	
2029			1,701,513	
2030			1,703,631	
2031			1,704,794	
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2041				
2042				
2043				
2044				
2045				
2046				
2047				
2048				
2049				
2050				
2051				
2052				
Total			<u>\$17,030,463</u>	

¹ Includes principal and interest. Payments due on July 1 are treated for accounting purposes as made in the prior fiscal year.

Note: Totals may not foot due to rounding.

THE AUTHORITY

Organization and Governance

The Asheville Regional Airport Authority was established in 1980 by the provisions of North Carolina law for intergovernmental cooperation between units of local government and by an Agreement of November 29, 1979 between the County of Buncombe (“Buncombe County”) and the City of Asheville (the “City”) for the management, operation, and maintenance of the Asheville Regional Airport (the “Airport”). On June 28, 2012, the General Assembly of North Carolina passed Session Law 2012-121 (the “GARAA Act”) that changed the structure of the entity to an independent airport authority with more regional representation and governance. The law also changed the official name to the Greater Asheville Regional Airport Authority (the “Authority”). Pursuant to the 2012 law, the agreement with Buncombe County and the City is no longer applicable.

The Authority is governed by a board (the “Authority Board”) consisting of seven members: two registered voters of Buncombe County appointed by the Board of Commissioners of Buncombe County; two registered voters of the City appointed by the City Council; two registered voters of Henderson County, North Carolina (“Henderson County”) appointed by the Board of Commissioners of Henderson County; and one member appointed by the other six members of the Authority Board. Members of the Authority Board serve staggered four-year terms. Any member may serve a total of two consecutive terms, after which said member may not be reappointed to the Authority until four years after his or her most recent appointment. The Authority Board establishes the policies under which the Airport is operated and establishes and collects rates and charges to cover the financial obligations it incurs in developing, operating and maintaining the Airport.

The Authority has many of the same powers as a North Carolina local governmental unit with some notable exceptions. First, the Authority has no power to impose any taxes. Second, unless the power of eminent domain is required by federal law or federal regulation, the Authority may not exercise the power of eminent domain. If a federal law or federal regulation does require the Authority to have the power to exercise eminent domain, it may only do so for public use for an airport purpose or purposes, and any eminent domain proceeding must be authorized either by the City, Buncombe County or Henderson County, based on the location of the property being proposed for eminent domain. In no case, however, may the Authority use the power of eminent domain for purposes not necessary for the operation of the Airport.

The Authority employs an Executive Director who serves as the chief administrator and executive officer of the Authority. The Executive Director manages the Airport under the Authority Board’s control.

Employees

As of December 31, 2021, the Authority had a full-time staff of 61. In addition, the Authority employs part-time law enforcement officers (in addition to its full time force) to provide law enforcement presence at the Transportation Security Administration (the “TSA”) passenger security checkpoints. The majority of the cost of maintaining this checkpoint security force is reimbursable from the TSA, with the balance of the cost paid by the airlines. Full time employees include public safety officers, firefighters, operations specialists, maintenance workers, accountants, marketing and guest services officers and telecommunication and information technology specialists.

None of the employees of the Authority are represented by a collective bargaining agreement. The Authority is not aware of any active organizing effort among its employees and is precluded by State

statute from entering into collective bargaining agreements with employees. Management believes the relationship between Authority and its employees is generally positive.

Authority Board

The current members of the Authority Board, the expiration of their terms, the governmental unit appointing the members and their business affiliation are set forth below:

<u>Authority Board Members</u>	<u>Term Expires (June)</u>	<u>Appointing Unit</u>	<u>Principal Business Affiliation</u>
Matthew Burril, <i>Chair</i>	2022	Buncombe County	President, Brick Street Equity Management
Brad Galbraith, <i>Vice Chair</i>	2022	City	Vice President – Community Development, Biltmore Farms
Thomas Apodaca	2022	Henderson County	Founding and Managing Partner, Vista Strategies & Solutions, LLC; Former North Carolina State Senator
George Erwin, Jr.	2023	Henderson County	Retired - Executive Director, North Carolina Association of Chiefs of Police; Retired Henderson County Sheriff
Britt Lovin	2025	Board-Appointed	Vice President and General Manager, Andy Oxy Co.
Susan Russo Klein	2023	City	Partner, Roberts & Stevens Attorneys at Law
Carl H. Ricker, Jr.	2024	Buncombe County	Chairman and Founder, Azalea Management Real Estate Development Company

Authority Administration

The following are the names, backgrounds and duties of certain management personnel of the Authority.

Low Bleiweis, A.A.E, Executive Director. Mr. Bleiweis serves as Executive Director of the Authority. He has been with the Authority since 2008 and has led the organization since 2009. He has over 30 years of experience in the aviation industry with the majority of his time focused on airport management, including areas of properties, operations, maintenance, purchasing, and risk management.

During his tenure, the Airport has grown from a non-hub airport to a thriving small hub airport with over one million annual passengers, the Authority’s fund balance has increased and several large-scale capital expansion projects have been completed, including the construction of the Airport’s first parking garage. Prior to joining the Authority, he worked for the Louisville Regional Airport Authority in Louisville, Kentucky, where he held several positions including Director of Properties. Mr. Bleiweis also held several positions with the Kansas City Aviation Department, Kansas City, Missouri and the Roanoke Regional Airport Commission, Roanoke, Virginia.

Mr. Bleiweis is currently serving as Airport Council International North America’s (ACI-NA) Past-Chair, after completing his two-year term as Chair. He has served as Chair of the ACI-NA U.S. Policy Board, a member of ACI World Governing Board, a Member of the Board of Directors for

American Association of Airport Executives (AAAE), and President of the Southeast Chapter AAAE. He is an Accredited Airport Executive (A.A.E.) by the American Association of Airport Executives. He received his Bachelor of Science degree in Aviation Business Administration/Airport Management from Embry-Riddle Aeronautical University.

Michael A. Reisman, A.A.E., Deputy Executive Director. Mr. Reisman has served as the Deputy Executive Director of the Authority since January, 2011, and has been in the Airport Management profession for 35 years. Previously, he served at multiple airports including roles as the Airport Manager, Director of Operations, Maintenance and Security, and in other operational positions. Mr. Reisman has served as a member on numerous national and regional professional boards and committees, including the American Association of Airport Executives, President of the Southeast Chapter of the American Association of Airport Executives, President of the Colorado Airport Operators Association, Convention and Visitors Bureau Board Chairman, Chamber of Commerce Board, Governors Transportation Task Force and others.

During his tenure with the Airport, Mr. Reisman has directly managed and overseen every major capital construction and planning project the Airport has undertaken, including the airfield re-development project, the new Public Safety Facility, the new parking garage, terminal building renovations, apron expansion and reconstruction projects, utility infrastructure projects, terminal infrastructure study, two airport master plans and many others. He is an Accredited Airport Executive (A.A.E.) by the American Association of Airport Executives, and holds a Bachelor's Degree in Professional Aeronautics from Embry-Riddle Aeronautical University, with concentrations in Airport Management and Air Traffic Control Technology.

John Coon, A.A.E., Director of Operations and Maintenance. [Bio to come.]

Tina Kinsey, A.A.E., Director of Marketing, Public Relations and Air Service Development. Ms. Kinsey is Director of Marketing, Public Relations and Air Service Development for the Airport. With more than 28 years of experience in marketing and business development, the most recent 11 years in the airport industry, she has specific expertise in marketing, market research, business planning and development, public relations, media relations and crisis communications. She holds a bachelor's degree in speech communication and business administration from Berry College in Georgia, and a master's degree in speech communication from Colorado State University.

Ms. Kinsey served as Chair of the Airports Council International – North America Marketing Steering Committee in 2019, and as the President of the North Carolina Airports Association in 2018-2019. She is also an Accredited Airport Executive with the American Association of Airport Executives. She also serves on local boards and committees, most recently appointed to the Four Seasons Hospice Board in western North Carolina.

Janet Burnette, Director of Finance. [Bio to come.]

THE AIRPORT

General

The Authority owns and is responsible for the operation of the Airport, which is located approximately 15 miles south of the Asheville central business district along the southern border of Buncombe County and northern border of Henderson County, at the intersection of Interstate 26 and State Highway NC 280. The Airport is located approximately 10 miles south of Interstate 40. The Airport

encompasses approximately 900 acres. The Airport, which is designated as a “small hub” by the FAA, is used daily by scheduled commercial airline traffic, as well as general aviation, including business aviation and privately owned/operated aircraft, military aircraft, and aircraft used in flight training activities.

Between 2015 and 2019, the Airport was one of the top three fastest growing small hub airports in the country based on the number of enplaned passengers. As with the rest of the aviation industry, the Airport has felt the significant impacts of the COVID-19 pandemic. Through the pandemic, however, the Airport has maintained most of its routes (some with lower frequencies) and even added new routes. The Airport’s passenger traffic, measured relative to pre-pandemic passenger traffic levels, has been consistently above the national average for such period during the COVID-19 pandemic. As of May 2022, approximately 27 daily flights depart from the Airport, connecting the Airport’s service area to 25 non-stop domestic destinations. See “THE AIRPORT—Recent Developments Related to COVID-19 Pandemic” below and Appendix B hereto for more information on the impact of the COVID-19 pandemic on the Airport’s operations and finances.

Approximately 300 of the Airport’s 900 acres are developed. The Airport has one primary runway, two parallel taxiways and a series of connector taxiways. The Airport’s existing terminal building was originally constructed in 1960 and, following multiple modular expansions over years, has approximately 115,000 square feet of public space. The existing terminal building includes five passenger boarding gates with boarding bridges and two ground loading passenger gates. As described under “THE PROJECT,” most of the existing terminal building will be replaced in connection with the construction of the Project.

The following table shows the passenger enplanements at the Airport by all airlines over the last seven fiscal years and certain information for the six-month period ended December 31, 2022 compared to prior periods:

<u>Fiscal Year Ended</u> <u>June 30,</u>	<u>Enplanements</u>	<u>Annual Change</u>
2015	391,906	--
2016	388,259	-0.9%
2017	441,769	13.8
2018	521,686	18.1
2019	681,607	30.7
2020	619,599	-9.1
2021	456,187	-26.4
 <u>July through December</u>	 <u>Enplanements</u>	 <u>Percentage Change</u>
2019 (FY 2020)	448,308	--
2020 (FY 2021)	183,117	-59.2%
2021 (FY 2022)	442,945	141.9

The following table shows the monthly passenger enplanements at the Airport from July 2019 to December 2021:

	Enplaned Passengers				Percent Change from 2019		
	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>
July	55,728	81,749	27,034	91,609	46.7%	-51.5%	64.4%
August	53,775	75,825	27,853	71,735	41.0	-48.2	33.4
September	44,766	69,344	25,151	65,120	54.9	-43.8	45.5
October	60,054	81,495	38,732	85,762	35.7	-35.5	42.8
November	56,905	69,003	34,804	65,431	21.3	-38.8	15.0
December	49,594	70,892	29,543	63,288	42.9	-40.4	27.6
January	45,770	58,017	22,658		26.8	-50.5	
February	43,707	52,746	22,977		20.7	-47.4	
March	60,805	31,418	39,029		-48.3	-35.8	
April	61,230	1,210	48,371		-98.0	-21.0	
May	71,960	7,717	62,546		-89.3	-13.1	
June	77,313	20,183	77,489		-73.9	0.2	
Total	681,607	619,599	456,187		-9.1	-33.1	

See “THE AIRPORT—Recent Developments Related to COVID-19 Pandemic” below and Appendix B hereto for more information on the impact of the COVID-19 Pandemic on the Airport’s passenger traffic.

Air Service Area

The Airport serves as the primary airport for the Asheville metropolitan area and the surrounding counties in the mountains of North Carolina. The Asheville-Brevard CSA (“CSA”) is made up of the five counties in and around Asheville. The Airport considers the five counties making up the CSA and six additional counties its air service area (the “Air Service Area”). The population estimate of the Air Service Area is estimated to be approximately 711,706 as of December 31, 2020. The Airport is the westernmost major airport in North Carolina and draws significant users travelling for tourism and leisure.

Asheville is located in Buncombe County and serves as the center for government, commercial, financial, medical, recreational and entertainment activities for the region. Asheville’s natural and architectural features, moderate climate, outdoor recreation activities, as well as the “foodie” culture and local brewery and distillery businesses, drive the City’s rankings by third party publications as one of the best places to live, work, play and retire in the United States. The region is a leading leisure destination and is home to the Biltmore Estate, the Grove Park Inn, the Blue Ridge Parkway, the Pisgah National Forest, the Great Smoky Mountain National Park as well as many State parks. The Greenville-Spartanburg International Airport located in Greer, South Carolina, which primarily serves the “upstate” area of South Carolina, is approximately 58 miles southeast of the Airport. The Tri-Cities Regional Airport located in Kingsport, Tennessee, which primarily serves the Tri-Cities area of Tennessee and Virginia, is approximately 89 miles north of the Airport. The Tri-Cities Regional Airport provides limited direct flights, with most of the flights going to American Airlines and Delta Air Lines hubs. The Airport is located approximately 104 miles west of Charlotte Douglas International Airport in Charlotte, North Carolina.

The following table shows the estimated population in the Air Service Area and North Carolina of the dates set forth:

<u>Year</u>	<u>Air Service Area</u>	<u>State</u>
2010	665,425	9,574,323
2015	683,432	10,031,646
2020	711,706	10,574,081

Source: Woods & Poole Economics, Inc., 2021.

The following tables show the major employers in Buncombe County and Henderson County, the two counties adjacent to the Airport:

<u>Employer</u>	<u>BUNCOMBE COUNTY</u> <u>Industry</u>	<u>Employees</u>
Mission Health Hospital	Health Care & Social Assistance	1000+
Ingles Markets, Inc.	Retail Trade	1000+
Veterans Administration VA	Health Care & Social Assistance	1000+
Buncombe County Board of Education	Educational Services	1000+
County of Buncombe	Public Administration	1000+
City of Asheville	Public Administration	1000+
Wal-Mart Associates Inc.	Retail Trade	1000+
Mission Community Anesthesiology	Health Care & Social Assistance	1000+
Eaton Corporation	Manufacturing	500-999
Kendro Laboratory Products LP	Manufacturing	500-999
A-B Tech	Educational Services	500-999
Unison Engine Components	Manufacturing	500-999
State of NC Dept. of Health and Human	Public Administration	500-999
UNC Asheville	Education Services	500-999
Lowes Home Centers Inc.	Retail Trade	500-999
Biltmore Workforce Management Inc.	Arts, Entertainment, & Recreation	500-999
Mountain Area Education Center	Health Care & Social Assistance	500-999
Fastmed Urgent Care PC	Health Care & Social Assistance	500-999
Wilsonart LLC	Manufacturing	500-999
M B Haynes Corp	Construction	500-999
Dept. of Public Safety	Public Administration	500-999
Borgwarner Turbo Systems Inc.	Manufacturing	500-999
U.S. Postal Service	Transportation & Warehousing	250-499
Teletech Services Corporation	Other Services	250-499
Linaar North Carolina Inc.	Manufacturing	250-499

<u>HENDERSON COUNTY</u>		
<u>Employer</u>	<u>Industry</u>	<u>Employees</u>
Henderson Co. Bd. of Public Education	Educational Services	1000+
Margaret R. Pardee Memorial Hospital	Health Care & Social Assistance	1000+
Ingles Markets, Inc.	Retail Trade	1000+
Park Ridge Health	Health Care & Social Assistance	1000+
County of Henderson	Public Administration	500-999
Ninc Hospitality LLC	Other Services (except)	500-999
Wal-Mart Associates Inc.	Retail Trade	500-999
Continental Automotive Systems Inc.	Manufacturing	500-999
Compassionate Home Care/Four Season	Health Care & Social Assistance	250-499
Meritor Heavy Vehicle Systems LLC	Manufacturing	250-499
Human Technologies	Administrative and Support	250-499
U P M – Raflatac Inc.	Manufacturing	250-499
Sierra Nevada Brewing Co.	Manufacturing	250-499
Current Lighting Employee Co. LLC	Wholesale Trade	250-499
Carolina Village Inc.	Health Care & Social Assistance	250-499
City of Hendersonville	Public Administration	250-499
Blue Ridge Community College	Educational Services	250-499
Lionbridge Global Solutions Inc.	Professional, Scientific	250-499
Flavor 1 st Growers & Packers LLC	Agriculture, Forestry	250-499
Lfc Agricultural Services Inc.	Agriculture, Forestry	100-249
Blue Ridge Community Health Service	Health Care & Social Assistance	100-249
Kimberly Clark Corp	Manufacturing	100-249
Hunter Corporation	Retail Trade	100-249
Lowe's Home Centers Inc.	Retail Trade	100-249
Westrock Services LLC	Manufacturing	100-249

Source: Asheville Area Chamber of Commerce (2020).

The Department of Commerce, Division of Labor and Economic Analysis has estimated the percentage of unemployment in the CSA, the State and the United States to be as follows:

<u>Month</u>	<u>CSA¹</u>	<u>State</u>	<u>United States</u>
January 2020	3.1%	3.6%	4.0%
February 2020	2.9	3.4	3.8
March 2020	3.4	4.0	4.5
April 2020	16.7	13.2	14.4
May 2020	16.8	13.7	13.0
June 2020	10.2	8.9	11.2
July 2020	9.7	9.3	10.5
August 2020	7.0	6.9	8.5
September 2020	7.0	7.1	7.7
October 2020	6.1	6.4	6.6
November 2020	5.7	6.3	6.4
December 2020	5.6	6.1	6.5
January 2021	5.5	6.0	6.8
February 2021	5.1	5.6	6.6
March 2021	4.1	4.6	6.2
April 2021	3.9	4.4	5.7
May 2021	4.0	4.5	5.5
June 2021	4.4	4.9	6.1
July 2021	4.0	4.6	5.7
August 2021	3.8	4.4	5.3
September 2021	3.2	3.8	4.6
October 2021	3.1	3.7	4.3
November 2021	2.9	3.4	3.9
December 2021	N/A	N/A	N/A
January 2022	N/A	N/A	N/A
February 2022	N/A	N/A	N/A
March 2022	N/A	N/A	N/A
April 2022	N/A	N/A	N/A

¹ Separate data for the total Air Service Area is not available.

Source: United States Department of Commerce, Bureau of Economic Analysis (latest data available).

Per capita personal income figures for the Air Service Area, the State and the United States are presented in the following table:

<u>Year</u>	<u>Air Service Area</u>	<u>State</u>	<u>United States</u>
2010	\$32,223	\$45,368	\$50,292
2015	34,356	48,642	54,863
2020	37,164	49,385	56,765

Source: United States Department of Commerce, Bureau of Economic Analysis (latest data available).

For more information on the Air Service Area including the impact of the COVID-19 pandemic on the economic well-being of the area, see the Consultant's Report in Appendix B to the Official Statement.

Airport Facilities

Airfield. In 2014, the Authority undertook a multi-phase construction project to redevelop and upgrade its existing airfield. This project was completed in 2020 resulting in a new runway, a new parallel taxiway and improvements to all other taxiways. The airfield now consists of a single 8,000-foot-long and 150-foot-wide runway, two parallel taxiways, and a series of connector taxiways. The runway is equipped with high intensity runway lighting systems, centerline lighting, and touchdown zone lights. Precision instrument landing systems are installed on both ends of the runway for approaches during instrument flight rules conditions. The Airport facilities are capable of handling takeoffs and landings of most aircraft currently in commercial use.

Passenger Terminal Facilities. The Airport's existing terminal building was originally constructed in 1960 and, following multiple modular expansions over the years, has approximately 115,000 square feet of public space. The existing terminal building includes five passenger boarding gates with boarding bridges and two ground loading passenger gates. In addition to the airline gates, the terminal building includes the Authority's administrative offices, ticket counter and office, storage and other required spaces for airlines, concessions and rental car providers. As described under "THE PROJECT," most of the existing terminal building will be replaced in connection with the construction of the Project.

Certain arrangements of the Authority with airlines and concessionaires with respect to the use of the passenger terminals are described under "THE AIRPORT – Airport Revenues" below.

Parking Facilities. There are approximately 2,170 public parking spaces located in surface lots and a five-story garage at the Airport. The garage, which opened in 2017, includes four levels of public parking and one level dedicated to rental car operations providing 224 ready/return spaces.

Rental Car Facilities. Three automobile rental companies operating eight rental car brands have a presence at the Airport including an off-terminal rental car service center and a dedicated floor of the parking garage. Certain arrangements of the Authority with the rental car companies are described under "THE AIRPORT – Airport Revenues" below.

Other Airport Facilities. Various other facilities are located at the Airport, including general aviation facilities, on-Airport rental car service centers, fuel storage facilities, aircraft rescue, firefighting and public safety facilities, service station and maintenance facilities and an air traffic control tower located on top of the terminal building. The existing air traffic control tower will be replaced as part of the Project.

Cargo Facilities. There are no cargo facilities at the Airport.

[Discussion of FBO Signature Flight to be inserted.]

Passenger Air Carriers

As of January 1, 2022, the Airport was served by the following airlines:

Allegiant Air
 American Airlines
 Delta Air Lines
 Sun Country Airlines
 United Airlines

In addition to the service provided by the airlines listed, a number of airlines have affiliations with other regional and commuter airlines that operate as part of the system of the mainline airline and that provide service at the Airport. American Airlines, Delta Air Lines and United Airlines have such arrangements under which service is provided at the Airport by regional affiliates. JetBlue Airways has also announced it will begin nonstop service to the Airport in June 2022.

For the fiscal year ended June 30, 2021, origin and destination (O&D) passengers accounted for 98.2% of the passenger traffic at the Airport. As of May 2022, the Airport currently serves 25 domestic destinations through nonstop service with an average of approximately 27 daily departing flights. At present, the Airport serves domestic traffic and does not serve international traffic.

The following table shows recent enplaned passenger data in thousands by airline (including their affiliates), and the percentage of total enplanements represented thereby, for each fiscal year ended June 30, 2021:

<u>Airline</u>	<u>(In Thousands)</u>									
	<u>2017</u>		<u>2018</u>		<u>2019</u>		<u>2020</u>		<u>2021</u>	
Allegiant Air	137	31.1%	175	33.5%	274	40.3%	270	43.6%	222	48.6%
American Airlines	103	23.2	117	22.4	144	21.2	146	23.6	126	27.5
Delta Air Lines	139	31.5	146	28.0	149	21.9	111	18.0	74	16.3
United Airlines	62	14.1	82	15.7	73	10.8	60	9.7	35	7.6
Spirit Airlines ¹	0	0	0	0	40	5.8	31	5.0	0	0.0
Elite Airways ¹	<u>0</u>	<u>0.1</u>	<u>2</u>	<u>0.3</u>	<u>1</u>	<u>0.1</u>	<u>2</u>	<u>0.1</u>	<u>0</u>	<u>0.0</u>
Total	442	100%	522	100%	682	100%	620	100%	457	100

¹ Ceased operation in 2020.

Note: Sun Country Airlines is not reflected in the above table. It began service between the Airport and Minneapolis-St. Paul International Airport in October 2021.

The following table shows the major destinations for travel originating at the Airport by average daily O&D enplaned passengers for the fiscal year ended June 30, 2021: **[To be confirmed – all non-stop.]**

<u>Rank</u>	<u>Destination</u>
1.	Fort Lauderdale
2.	Orlando/Sanford
3.	Tampa/St. Petersburg
4.	Punta Gorda/Fort Myers
5.	Denver
6.	Sarasota
7.	Dallas/Ft. Worth
8.	Newark
9.	Boston
10.	Austin

In 2021, carriers serving the Airport added 6 new non-stop routes, and a new carrier to the Airport. Sun Country Airlines, launched non-stop service to Minneapolis. Delta Air Lines is scheduled to begin service to Minneapolis in April 2022. American Airlines is scheduled to begin service to Miami in June 2022.

Allegiant Air initiated service at the Airport in 2011. Since that time, the Airport has been Allegiant Air’s fifth fastest growing market. For the fiscal year ended June 30, 2021, Allegiant Air accounted for 48.8% of the Airport’s enplanements. Allegiant currently serves 17 markets non-stop from the Airport catering to passengers originating from Asheville in addition to passengers travelling to the area for vacation and leisure. Allegiant also has a maintenance base in Asheville with four overnighting aircraft, with plans to increase this number, and more than 75 employees calling the Asheville area home. Allegiant’s continued growth at the Airport throughout the COVID-19 pandemic has helped to limit the pandemic-induced reduction in the Airport’s total flight capacity.

In summer 2021, JetBlue also announced its intention to serve the Airport with nonstop summer seasonal service to Boston, beginning in June 2022, which will add a sixth major airline to those operating at the Airport.

The Project will increase the total number of gates at the Airport from seven to 12 gates. The Authority anticipates that this expansion will foster continued capacity growth at the Airport.

Airport Revenues

This section provides information on the various sources of revenue at the Airport. For more information on the various sources of revenue including the impact of the COVID-19 pandemic, see the Airport Consultant’s Report in Appendix B to the Official Statement.

Parking Revenues. The Airport offers short-term hourly lot parking, long-term structured parking, economy daily parking at surface lot, and a recently opened economy daily parking lot with shuttle service. Parking rates are set based upon level of service. Current rates for parking are as follows:

	<u>Daily Maximum Rate</u>
Hourly	\$25
Garage Parking	\$13

Daily Lot	\$10
Shuttle Lot	\$10

There are no off-Airport parking providers, except for certain hotels that offer stay and park services.

For the fiscal year ended June 30, 2021, parking revenues accounted for approximately 23% of the total operating revenue of the Authority.

Airline Generated Revenues. The GARAA Act grants the Authority the power to “[c]harge and collect fees, royalties, rents, and/or other charges, including fuel flowage fees, for the use and/or occupancy of property owned, leased, subleased, or otherwise controlled or operated by the Authority or for services rendered in the operation” of the Airport. Pursuant to such authorization, the Authority has adopted an Airline Rates, Fees & Charges Ordinance (the “Rate Ordinance”) under which the Authority establishes a schedule of rates, fees and charges at the beginning of each fiscal year. **[The Authority also maintains an operating agreement with each airline.]**

Pursuant to the Rate Ordinance, airline rates and charges are developed under a commercial compensatory rate making methodology. Prior to the establishment of the Schedule of Rates, Fees and Charges each fiscal year, the Authority notifies the airlines in writing of the anticipated Schedule of Rates, Fees and Charges to be in effect for the upcoming fiscal year. The Authority then meets with airlines to present the Schedule of Rates, Fees and Charges, expenses and capital charges used in the calculation, and to address any questions or concerns raised by the airlines. So long as the airline has been notified as described above, the new schedule will be implemented on the first day of the new fiscal year.

Each airline operating at the Airport is responsible for paying the following rates and charges:

- Terminal rents for preferential (areas in the terminal assigned to the airline) and joint use space (baggage make-up, baggage claim and gate area);
- Landing fees for the use of the airfield, apron and appurtenant facilities; and
- Other fees and charges (passenger security charges and loading bridge fees).

The cost base for calculating the terminal rental rate is defined as the sum of (1) operation and maintenance expenses allocated to the terminal building cost center, (2) the O&M reserve requirement for the terminal building cost center, (3) net depreciation, amortization and capital outlay allocated to the terminal building cost center, and (4) debt service payments on Authority debt incurred for airfield improvements, less any non-airline revenue credits applied by the Authority. Each airline’s share of cost is derived by multiplying the rental rate by the airline’s preferential use space and its share of joint use space as determined by a joint use formula.

The cost base for the calculation of landing fees is defined as the sum of (1) operation and maintenance expenses allocated to the airfield cost center, (2) the O&M reserve requirement for the airfield cost center, (3) net depreciation, amortization and capital outlay allocated to the airfield cost center, and (4) debt service payments on Authority debt incurred for airfield improvements, less any non-airline revenue credits applied by the Authority. These costs are charged to the individual carriers on the basis of landed weight.

Under the Rate Ordinance, the Authority may assess fees to recover certain other costs including, but not limited to, utilities and services, employee parking fees, telecommunications charges, paging system fees, triturator fees, skycap services, preconditioned air and fixed ground power fees, security measure costs, common use fees and common equipment charges, and law enforcement fees (net of TSA reimbursement). At present, the Authority assesses a passenger security charge on a per enplanement basis to recover passenger-related security checkpoint and security personnel costs net of TSA reimbursement, a loading bridge fee on a per departure basis to recover operating and capital costs associated with loading bridges, and certain per use fees for unassigned ticket counters and share exempt carriers.

Pursuant to the Rate Ordinance, terminal rents are due monthly without invoice, demand, set-off or deduction on before the first calendar day of the month. Landing fees for the immediately preceding month are due by the 15th day of the following month. Payments for other airline fees and charges are invoiced by the Authority and due upon receipt of the invoice.

For the fiscal year ended June 30, 2021, airline generated revenues accounted for approximately 20% of the total operating revenue of the Authority.

Concession and Advertising Revenues. The Authority has contractual relationships with concessionaires for food and beverage, retail, advertising and various other miscellaneous services at the Airport. Contracts with various durations are in place for food/beverage, retail merchandise and services. **[Insert a sentence or two describing arrangements and how Airport is compensated.]**

For the fiscal year ended June 30, 2021, concession and advertising revenues accounted for approximately 3% of the total operating revenue of the Authority.

Rental Car Revenues. Three automobile rental companies operating eight rental car brands (Alamo, Avis, Budget, Dollar, Enterprise, Hertz, National, and Thrifty) provide service at the Airport under agreements having terms ending June 30, 2030. The Airport's consolidated rental car service facility, constructed in 2008, is remote from the terminal and provides the rental car agencies a centralized location to quickly service vehicles in between rentals. The rental car companies also have a dedicated floor of the Airport's parking garage for pick-ups and returns. Under the terms of the agreements between the Authority and the companies operating on the Airport property, the Authority realizes a concession fee of 10% of gross automobile rental revenues, subject to minimum annual guarantees. In addition, the companies operating at the Airport also pay facility rent, ground rent and maintenance and operations fees.

In 2004, the Authority began requiring the rental car companies at the Airport to charge a customer facility charge ("CFC") to be used to pay, or to reimburse the Authority, for capital costs for construction and improvement of rental car facilities at the Airport. The CFC was initially \$2.00 per transaction day and subsequently increased to \$4.00 on May 1, 2007, and again to \$4.25 on December 10, 2010 where it currently stands. CFC revenues are included as "Revenues" under the terms of the Master Indenture. In the fiscal year ended June 30, 2021, CFCs represented approximately \$1.5 million in revenue to the Authority.

For the fiscal year ended June 30, 2021, rental car revenues **[(including CFCs)]** accounted for approximately 21% of the total operating revenue of the Authority.

Transportation Network Companies. Transportation Network Companies ("TNCs") such as Uber and Lyft operate on Airport premises pursuant to a permitting regime. TNC permittees are assessed a fee-

per-trip of \$2.50 per pick-up and \$0.50 per drop-off. TNCs conducted approximately 39,726 trips in the fiscal year ended June 30, 2021, representing approximately \$57,417 in revenue to the Authority.

PFCs. As discussed under “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS—Treatment of Passenger Facility Charges and Federal and State Grant Funds,” the Authority collects PFCs. PFCs collected were \$__ million, \$__ million and \$__ million, respectively, in the fiscal years ended June 30, 2019, 2020 and 2021. The decrease in collections of PFCs in 2020 and 2021 from 2019 was a direct effect of the decrease in passenger traffic at the Airport due to the COVID-19 pandemic. The Authority has not designated PFCs as “Revenues” under the General Indenture.

Financial Information

The financial statements of the Authority for the Fiscal Year ended June 30, 2021 have been audited by certified public accountants. Copies of these financial statements containing the unqualified report of the independent certified public accountants are available in the office of Director of Finance and Accounting, Greater Asheville Regional Airport Authority, 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732. Attached hereto in Appendix A is the Management Discussion and Analysis and the Basic Financial Statements of the Authority and the notes thereto, taken from the audited Annual Financial Report of the Authority for the fiscal year ended June 30, 2021.

The following table presents the Authority’s Summary of Operations for the fiscal years ended June 30, 2020 and 2021, derived from the Authority’s audited financial statements included in Appendix A.

	Fiscal Year Ended June 30,		
	2019	2020	2021
Operating revenues			
Terminal	\$6,405,967	\$6,089,973	\$5,505,373
Airfield	1,314,480	1,298,340	1,205,993
General Aviation	1,072,689	1,052,110	1,008,205
Parking lot	6,208,892	5,490,396	3,343,403
Golf course ¹	-	-	1,698,388
Land use	140,498	200,170	223,704
Other	25,875	68,414	910,761
Total Operating Revenues	\$15,168,401	\$14,199,403	\$13,895,827
Operating Expenses			
Administration	\$954,859	\$1,294,039	\$811,486
Development	414,908	450,254	321,453
Executive	706,206	739,261	1,080,501
Finance	375,930	411,641	444,849
Guest services	206,855	213,532	199,358
Information technology	762,762	827,045	941,089
Marketing	685,917	563,073	379,631
Operations	3,219,719	3,324,897	2,867,437
Public safety	1,109,616	1,174,853	1,531,060
Business Development	309,205	150,000	111,846
Properties and contracts	--	166,334	152,547
Golf course ¹	--	-	1,405,623
Depreciation	5,033,403	5,273,175	5,427,376
Total Operating Expenses	\$13,851,380	\$14,588,104	\$15,674,253
Operating Income (loss)	\$1,317,021	\$(388,701)	\$(1,778,426)
Non-Operating Revenue (Expenses)			
Passenger facility charges	\$3,304,177	\$2,598,307	\$2,301,153
Customer facility charges	1,827,348	1,752,173	1,507,251
Interest revenue	510,562	374,504	32,371
Gain on disposal of capital assets	61,045	32,315	90,000
Interest expense	(456,197)	(423,951)	(390,798)
Total Non-Operating Revenues, net	\$4,976,935	\$4,333,348	\$3,539,977
Income Before Capital	\$6,293,956	\$3,944,647	\$1,761,551
Contributions			
Capital contributions	\$10,184,989	\$10,328,288	\$35,138,365
Change in Net Position	\$16,478,945	\$14,272,935	\$36,899,916
Net Position, beginning of year	\$138,329,767	\$154,808,172	\$169,081,647
Net position, end of year	\$154,808,712	\$169,081,647	\$205,981,563

¹ In 2020, the Authority purchased Broadmoor Golf Links, an approximately 193-acre golf course adjacent to the Airport. See "Capital Improvement Program" below for more information.

Managements' Discussion and Analysis

[Discussion of FY 2021 to be inserted.]

Budget Information for the Fiscal Year Ending June 30, 2022

The Authority's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the enterprise fund. All annual appropriations lapse at the fiscal year-end. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the object level for the multi-year funds. The budget ordinance must be adopted by May 15 for the upcoming fiscal year, or the Authority board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

[Discussion of FY 2022 budget to be inserted.]

Debt Service Coverage

The following table sets forth a calculation of the Authority's debt service coverage ratio, calculated in accordance with the Master Indenture for each of the years ended June 30:

Year ended June 30,	Revenues [a] ¹	Current Expenses [b] ¹	Net Revenues [c]= [a] – [b]	Debt Service [d]	Debt Service Coverage Ratio [c]/[d]
2017	\$12,299,220	\$ 8,758,012	\$3,541,208	\$1,366,343	2.59
2018	14,163,893	8,220,376	5,943,516	1,702,666	3.49
2019	17,506,311	8,697,771	8,808,540	1,701,197	5.19
2020	16,326,080	8,665,827	7,660,253	1,703,952	4.50
2021	15,435,450	10,637,675	4,797,775	1,687,775	2.84

¹ Calculated as provided in the Master Indenture as described under "SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS – Rate Covenant." Revenues do not include PFCs but do include CFCs. Current Expenses exclude depreciation and amortization.

Liquidity

As of June 30, 2021, the days cash on hand for the Authority was ____ days, an [increase/decrease] compared to ____ days at June 30, 2020 and ____ days at June 30, 2019. Based upon unaudited, internally prepared information, at December 31, 2021, days cash on hand for the Authority was ____ days (unrestricted cash and investment balance divided by costs of operations and maintenance excluding depreciation).

Liquidity information is presented herein for informational purposes only. The General Indenture does not contain any covenants related to liquidity or requiring the Authority to maintain a certain level of days' cash on hand.

Cost Per Enplanement

The following table sets forth the airline cost per enplanement over the last seven years computed by the Authority:

Fiscal Year Ended <u>June 30,</u>	<u>Cost per Enplanement</u>
2015	\$5.85
2016	7.69
2017	5.75
2018	5.94
2019	5.19
2020	5.44
2021	6.11

Recent Developments Related to COVID-19 Pandemic

In response to the global pandemic following the outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, Governor Roy Cooper declared a state of emergency for the State on March 10, 2020. Efforts to manage the pandemic have included many extraordinary measures, including travel restrictions, voluntary and mandatory quarantines, event postponement and cancellations, voluntary and mandatory work from home arrangements, and facility closures. The COVID-19 pandemic has resulted in increased business failures, worker layoffs, changed commuting patterns, and consumer and business bankruptcies. Such impacts are expected to continue, particularly in the face of COVID-19 variants.

Airports in the United States, including the Airport, have been acutely impacted by the reductions in passenger volumes and flights, as well as by the broader economic shutdown resulting from the COVID-19 pandemic. The pandemic has adversely affected domestic and international travel and travel-related industries.

The United States government, the Federal Reserve Board and foreign governments took legislative and regulatory actions and implemented measures to mitigate the broad disruptive effects of the COVID-19 pandemic. The Coronavirus Aid, Relief, and Economic Safety Act (the "CARES Act"), approved by the United States Congress and signed by the President on March 27, 2020, is one of the legislative actions to address the crisis created by the COVID-19 pandemic and includes among its relief measures direct aid for airports as well as direct aid, loans and loan guarantees for passenger and cargo airlines.

Provisions of the CARES Act, which provide \$10 billion of assistance to airports, include the following: (i) \$3.7 billion to be allocated among all commercial service airports throughout the nation based on calendar year 2018 enplanements for all commercial service airports, (ii) \$3.7 billion to be allocated among all commercial service airports based on a formula that includes as its factors the fiscal year 2018 debt service for a given airport as a percentage of the combined debt service for all commercial service airports, and the airport's ratio of unrestricted reserves to respective debt service, (iii) \$2 billion to be apportioned in accordance with the Airport Improvement Program entitlement formulas, subject to CARES Act formula revisions, (iv) \$500 million to pay a federal share of the costs of making grants under the Further Consolidated Appropriations Act, 2020 (Public Act 116-94), with unused amounts to be distributed to airports according to the allocations described in (i) and (ii), and (iii) \$100 million reserved for general aviation airports.

The Authority filed for and was awarded CARES Act funds totaling \$14,409,270. The airport sponsor may use these funds for any purpose for which airport revenues may be lawfully used. CARES Act grant recipients have been advised to follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy defines permitted uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the CARES Act states the funds may not be used for any purpose not related to the airport. Additionally, by accepting this grant, the Authority agreed to continue to employ, through December 31, 2020, at least 90 percent of the number of individuals employed by the Authority as of March 27, 2020. As a condition of receiving Federal assistance under this award, the Authority must comply with certain Federal audit requirements requiring that entitles that expend \$750,000 or more in Federal awards to conduct a single or program specific audit for that year. These funds were fully utilized by the Authority in the fiscal years ended June 30, 2020, 2021 and 2022 with the final draw conducted in December 2021. The Authority used these funds to reimburse the Airports for general operating expenses.

The Authority also received in total \$4,059,068 in funding relief under the Airport Coronavirus Response Grant Program ("ACRGP"). These grants will be used in full in fiscal year 2022 to reimburse the Airports for general operating expenses. Additionally, the Authority was awarded \$173,598 for concessionaires to provide relief from rent and minimum annual guarantees obligations to each eligible airport concession.

The Authority will receive approximately \$8,573,025 from the third round of funding under the American Rescue Plan Act of 2021. Such funds will be used primarily to reimburse general operating expenses and provide some concessionaire relief in 2022 and 2023.

The Airport, similar to other airports around the nation, has seen declines in many financial and operating metrics subsequent to the outbreak of COVID-19. Passenger enplanements and parking revenues significantly declined beginning mid-March 2020. Rental car transactions and demand for parking and ground transportation services also decreased significantly.

Domestic air travel throughout the nation has been severely impacted. Based on enplanements reported by the airlines at the Airport, for the fiscal year ended June 30, 2020, enplanements declined by approximately 9% when compared to the fiscal year 2019 and for the fiscal year ended June 30, 2021, enplanements declined by approximately 33% when compared to the fiscal year 2019. While these decreases are substantial, the Airport has not been as negatively impacted as the aviation industry as a whole. This is due in part to the Asheville area serving as a national destination for outdoor travel and leisure as well as Allegiant Air's continued growth at the Airport. The Authority experienced an increase in enplanement activity throughout calendar year 2021. See "THE AIRPORT - General" for more information on monthly enplanements. Even with these signs of recovery, the Authority anticipates the reduced level of scheduled airline service to continue and cannot predict the duration.

In response to the COVID-19 pandemic, the Authority has continued an increased level of sanitization procedures throughout the Airport. The Airport remains under a federal mask mandate through March 18, 2022. The staff of the Airport is actively enforcing this mandate. The Authority will continue to assess and implement opportunities to reduce costs and adjust operations to keep the Airport safe and efficient in response to the ongoing changes caused by the COVID-19 pandemic.

The Authority cannot predict all of the on-going or future impacts of the COVID-19 pandemic or another outbreak or pandemic. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS - The COVID-19 Pandemic and Other Public Health Concerns."

SEE APPENDIX B HERETO FOR MORE DETAILED INFORMATION ON THE IMPACT OF THE COVID-19 PANDEMIC ON THE AIRPORT'S OPERATIONS AND FINANCES.

Sustainability, Environmental, Social and Governance (ESG) Measures

[Description of Authority's ESG measures or plans to be inserted.]

Insurance

The Authority currently maintains property insurance for property not insured by others with per occurrence and aggregate limits totaling \$___ million, excess of \$___ retention. The property insurance policies contain certain specific sub-limits, and the primary layer contains a self-insured retention of \$___ and a maintenance deductible of \$___ per occurrence for causes of loss other than named windstorm. The property insurance policies also include coverage for business interruption that pays certain fixed costs, including the annual debt service payments on the Authority's indebtedness, in the event revenues are lost due to damage or loss to an asset. The business interruption coverage is included in the \$___ million aggregate limit and does not have a sub-limit. The Authority maintains a \$___ million aggregate limit for named windstorm(s), excess the \$___ retention, with a per location, per occurrence wind deductible. The policy provides open-perils protection as opposed to specifically named-perils protection on a replacement cost basis which includes coverage for boiler and machinery, and loss of business income up to the policy limit per occurrence, with certain sub limits resulting from a covered property loss, including covered terrorism losses. The Authority currently maintains property insurance with per occurrence limits of \$___ million for terrorism events whether caused by international or domestic persons or organizations. Renovations to existing facilities not insured by others are included as covered losses under the Authority's current property insurance up to limits described herein. The Authority also maintains builders' risk insurance, when required for construction projects not covered by other property policies. It is expected that property insurance limits may be adjusted in the future, as is prudent in the airport industry and as insurance markets continue to evolve.

The Authority also maintains fiduciary liability, public official's liability, auto liability, storage tank, pollution liability, crime, public sector terrorism, and airport owners and operators' liability insurance. The Authority's airport liability insurance has a limit of \$1 billion annually including war and related exposures. The Authority maintains workers compensation insurance with statutory limits, which includes a self-insured retention of \$___ per occurrence and associated employers' liability insurance. An independent risk management and insurance consultant also reviews the insurance policies.

The Authority requires its contractors and consultants to procure and maintain commercial general liability, auto, worker's compensation, and if applicable, professional liability and pollution liability coverage, on all projects and consulting assignments, in amounts commensurate with the scale and complexity of the work or services. Moreover, all construction projects in excess of \$___ are additionally secured by payment and performance bonds for the full contract value. **[Description of insurance for the Project to be included (builder's risk, etc.).**

The Authority uses an independent risk management and insurance consultant who works with legal counsel in designing an insurance program which is in the best interest of the Authority, including evaluation, negotiation and recommendation of coverages and quotations.

Pension

The Authority is a participating employer in the statewide Local Governmental Employees'

Retirement System (“LGERS” or the “System”), a cost-sharing multiple-employer defined benefit pension plan, administered by the State. LGERS membership is comprised of general employees and local law enforcement officers (“LEO”) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees’ Retirement System is included in the Comprehensive Annual Financial Report for the State of North Carolina. The State’s Comprehensive Annual Financial Report includes financial statements and required supplementary information for LGERS.

The System provides, on a uniform System-wide basis, retirement and, at each employer’s option, death benefits from contributions made by employers. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Authority employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The Authority’s contractually required contribution rate for the year ended June 30, 2021, was 10.15% of compensation for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. The contribution rates for the fiscal year ending June 30, 2022 have been set at 11.4% for general employees. Contributions to the pension plan from the Authority were approximately \$399,893 for the year ended June 30, 2021.

Retirement benefits are determined as 1.85% of the member’s average final compensation times the member’s years of creditable service. A member’s average final compensation is calculated as the average of a member’s four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service.

As of June 30, 2021, the Authority reported a liability of \$1,854,251 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020.

The Authority also administers a public employee retirement system (the “Separation Allowance”), a single-employer defined benefit pension plan that provides retirement benefits to the Authority’s qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service.

For information concerning the Authority’s participation in the System and the Separation Allowance, see the Notes to the Basic Financial Statements of the Authority in Appendix A attached hereto.

Other Post-Employment Benefits

Under the terms of an Authority resolution, the Authority administers a single-employer defined benefit Health Care Plan. This Health Care Plan provides post-employment healthcare benefits to retirees of the Authority up to age 65, provided they participate in the LGERS, were hired prior to July 1, 2011, and were covered by the Authority’s group health plan for the three years immediately preceding retirement. The Authority pays the full cost of coverage for these benefits through private insurers. Also,

the Authority's retirees can purchase coverage for their dependents at the Authority's group rates. Employees hired on or after July 1, 2011, are not eligible for the Authority's post-employment healthcare benefits. Retirees who qualify for coverage receive the same benefits as active employees. Coverage for all retirees who are eligible for Medicare will no longer be eligible for post-employment healthcare benefits by the Authority.

The Authority has adopted Governmental Accounting Standards Board Statement No. 75 relating to the Accounting and Financial Reporting by Employers for Post-Employment Benefit Plans Other Than Pension Plans ("GASB 75"). GASB 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. The Authority's total liability of \$1.24 million was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019. For the fiscal year ended June 30, 2021, the Authority recognized OPEB expense of \$53,467. As of June 30, 2021, the Authority reported \$347,993 as deferred outflows of resources and \$229,725 as deferred inflows of resources to OPEB.

For additional information concerning the Authority's OPEB obligations, see the Notes to the Basic Financial Statements of the Authority in Appendix A attached hereto.

Capital Improvement Program

The Authority has developed a capital improvement program covering the fiscal years ending June 30, 2022 through 2026 (the "Capital Improvement Program"). The Capital Improvement Program identifies airport capital improvements that are needed or desirable over the five-year horizon. The Capital Improvement Program includes expenditures on capital projects at the Airport of approximately \$95 million outside of the Project. Projects expected to be undertaken include reconstruction and expansion of the south general aviation apron, rental car facility repairs and replacement, rehabilitation of airfield taxiways and taxilanes, among others. Depending on circumstances and timing, the Authority may decide to defer or not to undertake the above-described projects. To the extent the Authority decides to proceed with projects included in the Capital Improvement Program, the projects would be funded from a combination of funds generated from Authority activities, PFCs, Airport Improvement Program grants-in-aid, grants from the State and other sources of funding. At present, the Authority does not have any specific plan to issue additional Bonds (other than the 2022B Bonds) to finance any of the projects included in the Capital Improvement Program, but the Authority regularly continues to examine the condition of its general infrastructure and the need to meet the demands of the Airport's customers, and may utilize additional debt authorization in keeping with its objectives, subject to the provisions of the Master Indenture.

In 2020, the Authority purchased Broadmoor Golf Links, an approximately 193-acre golf course. The property sits just across N.C. Highway 280 adjacent to the end of the Airport's runway. Approximately 75% of the property lies in a FEMA-recognized flood plain. The Authority has entered into a long-term lease agreement with a developer/operator to build a hotel and conference center on a six-acre portion of the property. Any development at the site must fit with the FAA's definition of compatible land use because of the site's proximity to an active runway.

AIRPORT CONSULTANT'S REPORT

The Airport Consultant's Report, which has been prepared by Landrum & Brown, Incorporated, is included in Appendix B hereto and should be read in its entirety. The forecasted operating results for the Fiscal Years ending June 30, 2022 through 2028 contained therein are based on certain assumptions discussed in the Airport Consultant's Report. Certain of these assumptions may not materialize and

unforeseen events and circumstances may occur subsequent to the date of the Airport Consultant's Report. Therefore, there will usually be differences between the forecasted operating results and the actual operating results and these differences may be material.

The following table, derived from the Airport Consultant's Report included as Appendix B, shows the projected debt service coverage ratios for the Fiscal Years ending June 30, 2022 to 2028, inclusive. See the Airport Consultant's Report included as Appendix B for the assumptions and notes related to the information provided in the table below.

[Summary financial and debt service coverage table to be inserted when Consultant's Report finalized.]

RISK FACTORS AND INVESTMENT CONSIDERATIONS

The following section describes certain risk factors affecting the payment of, and security for, the 2022A Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of the 2022A Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following specific factors along with all other information described or referenced elsewhere in this Official Statement in evaluating an investment in the 2022A Bonds.

The COVID-19 Pandemic and Other Public Health Concerns

Due to the discretionary nature of business and personal travel spending, air transportation demand and, by extension, the Authority's Net Revenues, are heavily influenced by numerous economic factors as well as health and security concerns. For example, the current COVID-19 pandemic and the economic impacts thereof have had a significant and adverse impact on the demand for air travel and the airline industry. The COVID-19 pandemic has resulted in substantial financial challenges for airlines serving the Airport, including substantial financial losses and announcements warning of layoffs or reduction in workforce. While the Airport has in the past seen passenger traffic return after or grow through airline bankruptcies and consolidations and other events affecting the airline industry, the COVID-19 pandemic is an unprecedented event and its near-term and long-term effects on the airline industry cannot be predicted with any certainty, including the prospect of prolonged downsizing of aircraft fleets and associated levels of capacity. Other structural changes to the industry also result from the impact of airline consolidations, optimization of route structures, low cost carriers, internet travel web sites and carriers reorganizing under the U.S. Bankruptcy Code. See "RISK FACTORS AND INVESTMENT CONSIDERATIONS – Effect of Airline Bankruptcies," below.

The COVID-19 pandemic has had and likely will continue to have substantial adverse effects on passenger traffic and Airport operations and financial performance. The dynamic nature of the COVID-19 pandemic and the prospect of future disease outbreaks or other widespread health concerns leads to many uncertainties, so the Authority cannot predict: (i) the scope, duration or extent of the current COVID-19 pandemic, or another outbreak or pandemic, (ii) any additional or future restrictions or warnings related to air travel, gatherings or any other activities, or the duration or extent to which airlines will reduce services at the Airport, or whether airlines will cease operations at the Airport or shut down, in response to such restrictions or warnings; (iii) what additional short or long-term effects the restrictions and warnings imposed as a result of the COVID-19 pandemic or future health concerns may have on air travel (including to and from the Airport), the retail and services provided by Airport concessionaires, Airport costs or Airport revenues; (iv) to what extent the COVID-19 pandemic or a future outbreak or pandemic may disrupt the local, State, national or global economy, manufacturing or supply chain, and if any such

disruption may adversely impact Airport-related construction, the cost, sources of funds, schedule or implementation of the Airport's CIP (including the Project), or other Airport operations; (v) the extent to which the COVID-19 pandemic or a future outbreak or pandemic, or the resultant disruption to the local, State, national or global economy, may result in changes in demand for air travel, or have an impact on the airlines or concessionaires serving the Airport, or the airline and travel industry, generally; (vi) whether or to what extent the Authority may amend, adjust, or make other changes to the Authority's arrangements with its tenants and concessionaires; (vii) whether any of the foregoing will have a material adverse effect on the finances and operations of the Authority; or (viii) the extent or duration of telecommuting and the possibility of increased utilization of video conferencing by businesses and others after the COVID-19 pandemic which may reduce demand for business travel.

The Authority cannot predict the extent and duration of changes in air traffic volume as a result of the COVID-19 pandemic and its associated economic impacts. It is possible that air travel behavior and patterns may be permanently altered after the COVID-19 pandemic has ended as a result of residents' and businesses' telecommuting experiences during the outbreak. In particular, such experiences may result in a permanent decline in business travel, the extent of which is currently unknown.

Prospective investors should assume that the restrictions and limitations related to COVID-19, and the current upheaval to the air travel industry and the national and global economies, will continue at least over the near term and may be repeated in the future and that recovery may be prolonged, adversely impacting Airport revenues. Future outbreaks, pandemics or other events outside the Authority's control may further reduce demand for travel, which in turn could cause a decrease in passenger activity at the Airport and declines in Authority revenues.

For a more detailed discussion of the impact of the COVID-19 pandemic on the Airport, see "THE AIRPORT - Recent Developments Related to the COVID-19 Pandemic" above and Appendix B hereto for more information on the impact of the COVID-19 pandemic on the Airport's operations and finances.

General Factors Affecting Air Transportation Demand

The Authority's ability to collect Net Revenues depends significantly on the level of aviation activity and enplaned passenger traffic at the Airport. There are numerous factors which affect air traffic generally and air traffic at the Airport more specifically. Demand for air travel is influenced by factors such as (i) the growth of or decline in the population and economy of the Air Service Area, (ii) national, regional and international economic conditions, (iii) national and international political conditions, including the imposition of regulations and tariffs, acts of war, terrorism or sabotage, and unpredictable events; (iv) the price of airfare, (v) the level of competition from surrounding airports, (vi) availability of airline service and route networks to the Airport, (vii) the occurrence of accidents involving commercial passenger aircraft, (viii) currency exchange rates, (ix) the occurrence of natural and man-made disasters, (x) the availability of business travel substitutes including video conferencing and streaming technology, and (xi) public health concerns including the occurrence of pandemics such as the COVID-19 pandemic.

With the globalization of business and the increased importance of international trade and tourism, the U.S. economy has become more closely tied to worldwide economic, political, and social conditions. As a result, international economics, trade balances, currency exchange rates, political relationships, and hostilities all influence passenger traffic at U.S. airports. Recessions in the U.S. economy in 2001 and 2008-2009 and the COVID-19 pandemic in 2020-2021 have been accompanied by high unemployment and reduced discretionary income, contributing to reduced airline travel demand. Sustained future increases in passenger traffic at the Airport will depend on stable international conditions, recovery from the COVID-19 pandemic, and national and global economic growth. No

assurance can be given with respect to the levels of aviation activity that will be achieved at the Airport in future Fiscal Years.

General Factors Affecting the Airline Industry

Future traffic at the Airport is sensitive to all the factors listed above in “RISK FACTORS AND INVESTMENT CONSIDERATIONS – General Factors Affecting Air Transportation Demand.” In addition, it is sensitive to factors particularly affecting the airline industry. The airline industry is highly cyclical and is characterized by intense competition, high operating and capital costs, and varying demand. Passenger and cargo volumes are very sensitive to general and localized economic trends, and passenger traffic varies substantially with seasonal travel patterns. The profitability of the airline industry can fluctuate dramatically from quarter to quarter and from year to year, even in the absence of catastrophic events.

Some of the factors that may materially affect the airline industry, and by extension, the Authority and the Airport include (i) the availability and price of aviation fuel and other necessary supplies, (ii) the costs of maintaining and upgrading aging aircraft fleets, (iii) the capacity of the national air transportation system and limits to airport infrastructure, (iv) price competition, especially competitive pricing facilitated by mergers, consolidations, affiliations, or discharge of obligations through bankruptcy, (v) the cost and availability of financing and the level of access to liquidity and the capital markets, (vi) the cost of keeping pace technological changes, (vii) the cost and availability of employees, (viii) labor relations within the airline industry, and (ix) the costs of regulatory compliance.

As a result of these and other factors, many airlines have in the past operated at a loss, filed for bankruptcy, restructured their businesses, reduced costs, laid off workers, renegotiated labor agreements, reduced or consolidated routes, ceased operations and/or merged with other airlines. Airline consolidation, capacity discipline, economic conditions, and relatively stable fuel prices had in recent years contributed to success and record profitability of the airlines from 2010 through 2019. However, those profits were substantially impacted by the effects of the COVID-19 pandemic on global travel demand. The Authority cannot currently predict whether recovery from the COVID-19 pandemic will be accompanied by renewed disruptions in the airline industry, including further airline consolidation and effects on service patterns. Any such actions, among others, could have a material impact on the Airport and the Authority’s ability to collect Net Revenues in amounts sufficient to pay debt service on the Bonds.

Federal Funding; Impact of Federal Sequestration

On October 3, 2018, Congress passed a five-year reauthorization bill for the FAA, known as the “FAA Reauthorization Act of 2018,” which was signed into law on October 5, 2018 by the President. The FAA Reauthorization Act of 2018, among other things, authorizes the FAA’s programs for five federal fiscal years, and increases funding for the Airport Improvement Program (“AIP”). The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set asides and the national priority ranking system). Between 2007 and the prior reauthorization bill in 2012, there were 23 short-term extensions of the FAA’s authority and a two-week partial shutdown of the FAA in summer 2011. There can be no assurance that Congress will enact, and the President will sign, future FAA reauthorization acts or provide for additional extensions before the current authorization expires. Failure to adopt such legislation may have a material adverse impact on the AIP grant program and the Airport. In addition, the AIP could be affected by the automatic across-the-board spending cuts known as sequestration, described in more detail below. The Authority is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount

of AIP grants awarded to the Authority, such reduction could (i) increase by a corresponding amount the capital expenditures that the Authority would need to fund from other sources (including operating revenues, additional Bonds, or others), (ii) result in adjustments to the Authority's capital improvement plan, or (iii) extend the timing for completion of certain projects.

Federal funding received by the Authority and aviation operations at the Airport could be adversely affected by any future implementation of sequestration, a budgetary feature first introduced in the Budget Control Act of 2011. Sequestration could adversely affect FAA and TSA budgets and operations, and the availability of certain federal grant funds typically received annually by the Authority. This may cause the FAA or TSA to implement furloughs of its employees and hiring freezes and may result in flight delays and cancellations.

Growth of Low-Cost Carriers

A low-cost carrier or ultra-low-cost carrier (each an "LCC" or "ULCC") is an airline that generally has lower fares for customers and which is able to take advantage of an operating cost structure that is significantly lower than the cost structures of the network carriers. These lower costs can include lower labor costs, a streamlined aircraft fleet and more efficient operations. Because of these lower cost structures, LCCs/ULCCs can conceivably remain profitable while offering lower fares to the traveling public.

Over the last decade, as larger U.S. carriers consolidated and became more focused on capacity discipline, the ticket prices for their flights began to increase. LCCs/ULCCs emerged in markets where passenger levels were significant enough that the LCCs/ULCCs could overcome any barrier to entry. The low cost structure of the LCCs/ULCCs stimulated traffic and budget conscious travelers to emerge as an underserved segment of the traveling public. Allegiant Air, having enplaned the largest share of passengers at the Airport in each fiscal year 2018 through 2021, is generally considered an ultra-low-cost-carrier.

There can be no assurance that the LCCs/ULCCs will continue to maintain such levels in the future. The continued presence of the LCCs/ULCCs serving at the Airport, and the levels at which such airlines might provide service at the Airport, are a function of a variety of factors, including: airline fares and competition; airline industry economics, including labor costs and the price of aviation fuel; capacity of the Airport and competition from other airports; and the strength of the origin and destination market at the Airport. Most of these factors are beyond the control of the Authority. Accordingly, no assurance can be given as to the levels of aviation activity that the LCCs/ULCCs will provide at the Airport.

See "THE AIRPORT – Passenger Air Carriers" above for a discussion of the LCCs/ULCCs, including Allegiant Air, operating at the Airport.

Expiration or Possible Termination of Airline Agreements

[To be inserted.]

Aviation Security Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of international hostilities and the potential for terrorist acts may influence passenger travel behavior and air travel demand. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening

procedures, both of which may give rise to the avoidance of air travel generally and the switching from air to surface travel. With enactment of the Aviation and Transportation Security Act (“ATSA”) in November 2001, the TSA was created and established different and improved security processes and procedures at United States airports. ATSA mandates certain individual, cargo and baggage screening requirements, security awareness programs for airport personnel and deployment of explosive detection devices. ATSA also permits the deployment of air marshals on all flights and requires air marshals on all “high-risk” flights. The federal government controls aviation industry security requirements, which can significantly impact the economics of the industry. Additional security requirements due to unexpected events could increase costs directly and indirectly to the industry and could have an adverse effect on passenger demand.

Cybersecurity

The Authority and airlines rely on electronic systems and technologies to conduct operations. Computer networks and data transmission and collection are vital to the safe and efficient operations of the Airport, the airlines that serve the Airport and other tenants of the Airport. Despite security measures, information technology and infrastructure of the Airport, any of the airlines serving the Airport or any other tenants at the Airport may be vulnerable to attacks by outside or internal hackers, or breached by employee error, negligence or malfeasance. Any such breach or attack could compromise systems and the information stored thereon. Any such disruption or other loss of information could result in a disruption in the efficiency of the operation of the Airport and/or the airlines serving the Airport and the services provided at the Airport, thereby adversely affecting the ability of the Airport to generate revenue. The Authority maintains a security posture designed to deter cyber-attacks, has engaged consultants to assist in its cybersecurity, and is committed to deterring attacks on its electronic systems and responding to such attacks to minimize their impact on operations. However, no assurances can be given that the Authority’s security measures will prevent cyber-attacks, and no assurances can be given that any cyber-attacks, if successful, will not have a material adverse effect on the operations or financial condition of the Authority.

Cost of Aviation Fuel

Airline profitability is significantly affected by the price of aviation fuel. Fuel is the largest single cost component for most airline operations, and therefore an important and uncertain determinant of an air carrier’s operating economics. Any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries’ policy, increased demand for fuel caused by rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities, disruptions in delivery systems such as pipelines, and weather. The cost of aviation fuel has fluctuated in the past in response to changes in demand for and supply of oil worldwide. Significant fluctuations and prolonged increases in the cost of aviation fuel historically have had an adverse impact on air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel as well as to increase fares and institute fuel, checked baggage and other extra surcharges, all of which may decrease demand for air travel.

Effect of Airline Bankruptcies

Since 2000, numerous airlines have filed for, and emerged from, bankruptcy protection, including several that have operations at the Airport. Additional bankruptcies, liquidations or major restructurings of other airlines could occur. It is not possible to predict the future impact on the Airport of any future bankruptcies, liquidations or major restructurings of airlines.

If a bankruptcy case is filed with respect to an airline operating at the Airport, the Airline Agreement with respect to the debtor airline will be treated as an executory contract or unexpired lease pursuant to Section 365 of the United States Bankruptcy Code (the “Bankruptcy Code”). Under Section 365, a trustee in bankruptcy or the airline as debtor-in-possession might reject the Airline Agreement to which such airline is a party, in which case, among other things, the rights of that airline to continued possession of the facilities subject to the Airline Agreement (including gates and boarding areas) would terminate. Such facilities could ultimately be leased by the Authority to other airlines. The Authority’s ability to lease such facilities to other airlines may depend on the state of the airline industry in general, on the nature and extent of the increased capacity at the Airport, if any, resulting from the airline’s bankruptcy, and on the need for such facilities by other airlines. The rejection of the Airline Agreement in connection with the bankruptcy of an airline operating at the Airport may result in a reduction of the Authority’s Net Revenues and an increase in the costs per enplaned passenger for the other airlines at the Airport. In addition, in any airline bankruptcy the Authority may be required to repay landing fees, terminal rentals and other amounts paid by the airline to the Authority during the 90-day period prior to the date of the bankruptcy filing. Such payments are considered “preferential” and are avoidable in a bankruptcy case pursuant to Section 547 of the Bankruptcy Code. The Authority would, however, likely have defenses to any claim brought under Section 547 of the Bankruptcy Code, including that the subject payments were made in the ordinary course of business or that the Authority provided subsequent new value to the airline.

Also, under the Bankruptcy Code, any rejection of the Airline Agreement could result in the Authority holding a claim for rents and other items that would have accrued in the future, which claim would rank as that of a general unsecured creditor of an airline, in addition to pre-bankruptcy amounts owed.

The act authorizing PFCs provides that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFCs separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. The airlines, however, are permitted to commingle PFC collections with other revenues and are also entitled to retain interest earned on PFCs until such PFCs are remitted. Federal legislation requires airlines in bankruptcy to segregate PFCs into a separate account for the benefit of eligible agencies. While this requirement should provide some protection for airports in connection with PFCs collected by airlines in bankruptcy, prior to its enactment, bankruptcy courts have not universally treated PFCs collected by the airlines as trust funds. Therefore, the Authority cannot predict how a bankruptcy court might rule on this matter in the event of a bankruptcy filing by an airline operating at the Airport. It is possible that the Authority could be held to be an unsecured creditor with respect to unremitted PFCs held by an airline that has filed for bankruptcy protection. Additionally, the Authority cannot predict whether the airline that files for bankruptcy protection would have properly accounted for the PFCs owed to the Authority or whether the bankruptcy estate would have sufficient moneys to pay the Authority in full for the PFCs owed by such airline.

The cessation of operations by a carrier with significant operations at the Airport would have a material adverse effect on operations, Airport revenues and the cost to the other airlines of operating at the Airport.

Regulations Affecting the Airport

The operations of the Authority and its ability to generate revenues are affected by a variety of legislative, legal, contractual, statutory, regulatory and practical restrictions, including restrictions in the Federal Aviation Act, provisions of the Airline Agreements, PFC legislation, and extensive federal

legislation and regulations applicable to all airports. It is not possible to predict whether future restrictions or limitations on the Airport's operation will be imposed, whether future legislation or regulation will affect anticipated federal funding or PFC collection, whether additional requirements will be funded by the federal government or require funding by the Authority, or whether such restrictions, legislation or regulations would adversely affect Net Revenues.

The FAA has jurisdiction over flying operations generally, including personnel, aircraft, ground facilities and other technical matters, as well as certain environmental matters. Environmental regulations of general applicability (such as hazardous waste handling and disposition requirements, underground storage tank rules, stormwater permitting requirements, and the like) which are enforced by the Federal Environmental Protection Agency and the North Carolina Department of Environmental Quality, not FAA, apply to the Airport; compliance with those requirements may impose costs from time to time.

Environmental and Climate Change Considerations

The State of North Carolina is susceptible to the effects of extreme weather events and natural disasters including floods, hurricanes and tornados, which could result in negative economic impacts. The occurrence of such extreme weather events could damage the local infrastructure that provides essential services to the Airport.

Additionally, climate change concerns are shaping laws and regulations at the federal and state levels that could have a material adverse effect on the operations of the Authority and on the airlines operating at the Airport. Studies report that airplane emissions equal approximately 12% of all U.S. transportation and more than 3% of total U.S. greenhouse gas emissions. Although the United States Environmental Protection Agency (the "EPA") does not currently regulate greenhouse gas ("GHG") emissions from aircrafts, it could do so in the future. When drafting aircraft emission regulations, the EPA must consult with the Administrator of the FAA and the Secretary of Transportation, and such regulations must not significantly increase noise or adversely affect safety. The President may also disapprove if the Secretary of Transportation advises that the regulations create a hazard to aircraft safety. The Authority can provide no assurance as to the likelihood or potential impact of any such future proposed or enacted regulations.

In 2014, the Authority entered into an arrangement with Duke Energy pursuant to which Duke Energy provided the Authority with 3,000,000 tons of coal ash from the Duke Energy Asheville Plant for use as structural fill on an airfield project at the Airport. As part of the project, liners were placed under and around the coal ash, and six feet of clay and soil were placed on top of the graded coal ash. In 2017, the North Carolina Department of Environmental Quality ("DEQ") issued a Notice of Violation to Duke Energy with respect to the permit for the coal ash structural fill facility (the "Coal Ash Facility") located at the Airport. DEQ found that water seeping from the facility contained contaminants of concern. Such a violation may subject Duke Energy and the Authority to civil penalties and injunctive relief under North Carolina law. Upon receipt of such Notice of Violation, Duke Energy began work with the U.S. Army Corps of Engineers to repair the Coal Ash Facility by better encapsulating the contents. **[Any further update?]**

Capacity of National Air Traffic Control and Airport Systems

Demands on the national air traffic control system may cause aircraft delays and restrictions, both on the number of aircraft movements in certain air traffic routes and on the number of landings and takeoffs at certain airports. These delays and restrictions affect airline schedules and passenger traffic nationwide. Increasing demands on the national air traffic control and airport systems could cause increased delays and restrictions in the future.

Growth of Transportation Network Companies and other Technological Innovations

A significant source of non-airline revenues is generated from ground transportation activity, including use of on-Airport parking facilities, rental car transactions, and fees paid upon entry to the Airport by taxi, limousine, and transportation network companies such as Uber and Lyft (“TNCs”). TNCs connect paying passengers with drivers who provide the transportation using their own commercial and non-commercial vehicles. The popularity of TNCs has increased because of the increasing number of areas where TNCs operate, the convenience of requesting a ride through a mobile application, the ability to pay for this service without providing cash or other payment to the hired driver, and competitive pricing.

New technologies (such as autonomous vehicles and connected vehicles) and innovative business strategies in established markets such as commercial ground transportation and car rental may continue to occur and may result in further changes in Airport passengers’ choice of ground transportation mode. Although the Authority makes every effort to anticipate demand shifts, there may be times when the Authority’s expectations differ from actual outcomes. In such event, revenue from one or more ground transportation modes may be lower than expected. The Authority cannot predict with certainty what impact such new technologies, innovations in ground transportation or new business strategies will have over time on revenues from non-airline sources such as parking, rental cars and other ground transportation services.

Availability of Sources of Funding

The Authority’s capital improvement plan assumes that federal grants and other sources of funds (including PFCs) will be received in certain amounts and at certain times to pay certain capital project costs. See “THE AIRPORT – Capital Improvement Program” and “THE PROJECT” above. No assurance can be given that these sources of funds actually will be available in the amounts or on the schedule assumed. The assumptions with respect to entitlement and discretionary funding, although considered reasonable by the Authority, are inherently subject to certain uncertainties and contingencies. Actual entitlement and/or discretionary funding levels and timing may vary and such differences may be material.

To the extent that any portion of the funding assumed in the plan of finance for capital projects at the Airport is not available as anticipated, the Authority may be required to issue additional Bonds to pay the costs of such capital projects and to increase airline rates and charges to pay debt service on the Bonds and to fund the required coverage thereon. As an alternative to issuing additional Bonds, the Authority may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule.

The amount of PFC revenue collected for the Airport in past years has varied, and in future years will vary, based upon the actual number of passenger enplanements at the Airport. No assurance can be given that any level of enplanements will be realized. The adverse impact of decreased enplanements could be direct or indirect. For example, PFC shortfalls could result in increases in terminal rentals or other rates and charges at the Airport, thereby negatively impacting the airlines’ desire to operate at the Airport. Furthermore, under the terms of the PFC Acts (as defined below), the FAA may terminate the Authority’s authority to impose a PFC as described in the following section.

Availability of PFCs

Pursuant to the Aviation Safety and Capacity Expansion Act of 1990 (P.L. 101-508), the Wendell H. Ford Aviation Investment and Reform Act for the 21st Century (P.L. 106-181) and the 2003 FAA

Reauthorization Act (collectively, the “PFC Acts”), the FAA has approved the Authority’s applications to require airlines to collect and remit to the Authority a \$4.50 PFC on each enplaning revenue passenger at the Airport. PFCs are an important element of the Authority’s funding for its capital improvement program but PFC revenues are not part of the security pledged to support payment of the 2022A Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS – Treatment of Passenger Facility Charges and Federal and State Grant Funds.”

The PFC Acts provide that PFCs collected by the airlines constitute a trust fund held for the beneficial interest of the eligible agency (i.e., the Authority) imposing the PFCs, except for any handling fee or retention of interest collected on unremitted proceeds. In addition, federal regulations require airlines to account for PFC collections separately and to disclose the existence and amount of funds regarded as trust funds for financial statements. Airlines are permitted, however, to commingle PFC collections with other revenues and also are entitled to retain interest earned on PFC collections until such PFC collections are remitted.

In 2003, the Vision 100 – Century of Aviation Reauthorization Act (“Vision 100”) became effective. Vision 100 requires an airline that files for bankruptcy protection, or that has an involuntary bankruptcy proceeding commenced against it, to segregate passenger facility revenue in a separate account for the benefit of the eligible agencies entitled to such revenue. Prior to the amendments made by Vision 100 to allow PFCs collected by airlines to constitute a trust fund, at least one bankruptcy court indicated that the PFC revenues held by an airline in bankruptcy would not be treated as a trust fund and would instead be subject to the general claims of the unsecured creditors of such airline.

The Authority cannot predict whether an airline that files for bankruptcy protection would have properly accounted for the PFCs or whether the bankruptcy estate would have sufficient moneys to pay the Authority in full for the PFCs owed by such airline.

Under the terms of the PFC Acts, the FAA may terminate the Authority’s authority to impose a PFC if the Authority’s PFC revenues are not being used for approved projects in accordance with the FAA’s approval, the PFC Acts or the regulations promulgated thereunder, or if the Authority otherwise violates the PFC Acts or regulations. The FAA may also terminate the Authority’s authority to impose a PFC for a violation by the Authority of the Airport Noise and Capacity Act. The PFC termination provisions contained in the regulations provide both informal and formal procedural safeguards. In addition, although the FAA’s PFC regulations require Collecting Carriers (as defined in the PFC Acts) to account for PFC collections separately, and indicate that such funds are to be regarded as trust funds held by the Collecting Carriers for the beneficial interest of the public agency imposing the PFC, recent bankruptcy court decisions indicate that in a bankruptcy proceeding involving a Collecting Carrier, it is likely that PFCs will not be treated as trust funds and that airports are not entitled to any priority over other creditors of the Collecting Carrier as to such funds.

CIP Costs and Schedule

The estimated costs of, and the projected schedule for, the projects in the CIP for the Airport, including the Project, depend on various sources of funding and are subject to many uncertainties. The ability of the Authority to complete these projects within the current budgets and on the current schedules may be adversely affected by various factors including: (1) estimating errors, (2) design and engineering errors, (3) changes to the scope of the projects, (4) delays in contract awards, (5) material and/or labor shortages, (6) delays due to airline operational needs, (7) unforeseen site conditions, (8) adverse weather conditions, (9) contractor defaults, (10) labor disputes, (11) inflation, (12) litigation, and (13) environmental issues.

No assurance can be given that the costs of these projects will not exceed the current budget for these projects or that the completion will not be delayed beyond the currently projected completion dates. Any schedule delays or cost increases could result in the need to issue additional Bonds. The issuance of additional Bonds may result in increased costs per enplaned passenger to the airlines. At present, the Authority is unable to estimate the costs associated with each of the risks identified above and the total impact of these risks if such events were to occur. In addition, the Authority may ultimately decide not to proceed with certain capital projects or may proceed with them on a different schedule.

Limitation of Remedies

Under the terms of the General Indenture, Events of Default are limited to such actions which may be taken at law or in equity. In the event of a default in the payment of principal of or interest on the 2022A Bonds, the remedies available to the owners of the 2022A Bonds upon a default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional law, statutory law, and judicial decisions, including the federal Bankruptcy Code. The rights of the owners of the 2022A Bonds and the enforceability of the Authority's obligation to make payments on the 2022A Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights under existing law or under laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinion of Bond Counsel delivered at the time of the initial issuance of the 2022A Bonds will provide that the rights of the holders of the 2022A Bonds under the General Indenture and under the 2022A Bonds and the enforceability of such rights may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore and hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases. See Appendix E hereto.

Risk of Future Legislative or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the North Carolina General Assembly. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the 2022A Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2022A Bonds will not have an adverse effect on the tax status of the interest on the 2022A Bonds or the market value or marketability of the 2022A Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the 2022A Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

Additionally, investors in the 2022A Bonds should be aware that future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the 2022A Bonds for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the 2022A Bonds may be affected and the ability of holders to sell their 2022A Bonds in the secondary market may be reduced. The 2022A Bonds are not subject to special mandatory redemption, and the interest rates on the 2022A Bonds are not subject to adjustment, in the event of any such change in the tax treatment of interest on the 2022A Bonds.

CONTINUING DISCLOSURE

In the Second Series Indenture, the Authority will undertake, in accordance with Rule 15c2-12 (“Rule 15c2-12”) promulgated by the Securities and Exchange Commission (the “SEC”) and for the benefit of the Owners and the beneficial owners of the 2022A Bonds, as follows, to provide to the MSRB the following:

(a) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2022, the audited financial statements of the Authority for the preceding Fiscal Year, if available, prepared in accordance with Section 159-34 of the General Statutes of North Carolina, as it may be amended from time to time, or any successor statute, or if such audited financial statements are not then available, unaudited financial statements of the Authority for such Fiscal Year to be replaced subsequently by audited financial statements to the Authority to be delivered within 15 days after such audited financial statements become available for distribution;

(b) by not later than seven months after the end of each Fiscal Year, beginning with the Fiscal Year ending June 30, 2022, the financial and statistical data as of the date not earlier than the end of the preceding Fiscal Year for the type of information included under the following headings in this Official Statement to the extent such items are not included in the audited financial statements referred to in (a) above:

[List of operating data to be inserted.]

(c) in a timely manner, not in excess of 10 business days after the occurrence of the event, notice of any of the following events with respect to the 2022A Bonds:

- (1) principal and interest payment delinquencies;
- (2) non-payment related defaults, if material;
- (3) unscheduled draws on the debt service reserves reflecting financial difficulties;
- (4) unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) substitution of credit or liquidity providers, or their failure to perform;
- (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 2022A Bonds or other material events affecting the tax status of the 2022A Bonds;
- (7) modification of the rights of the beneficial owners of the 2022A Bonds, if material;
- (8) call of any of the 2022A Bonds, if material, and tender offers;
- (9) defeasance of any of the 2022A Bonds;
- (10) release, substitution, or sale of any property securing repayment of the 2022A Bonds, if material;
- (11) rating changes;
- (12) bankruptcy, insolvency, receivership or similar event of the Authority;

- (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- (14) the appointment of a successor or additional trustee or the change in the name of a trustee, if material;
- (15) incurrence of a financial obligation of the Authority, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Authority, any of which affect security holders, if material; and
- (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Authority, any of which reflect financial difficulties; and

(d) in a timely manner, notice of a failure of the Authority to provide required annual financial information described in (a) or (b) above on or before the date specified.

At present, Section 159-34 of the General Statutes of North Carolina requires the Authority's financial statements to be prepared in accordance with generally accepted accounting principles and to be audited in accordance with generally accepted auditing standards.

"Financial obligation" means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of either clause (a) or (b) above. The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12.

Pursuant to the Second Series Indenture, the Authority will agree to provide all documents described above in an electronic format as prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

The Authority agrees in the Second Series Indenture that its undertaking described above is intended to be for the benefit of the Owners and the beneficial owners of the 2022A Bonds and is enforceable by the Trustee or by any of them, including an action for specific performance of the Authority's described above, but a failure to comply will not be an Event of Default under the General Indenture and will not result in acceleration of the payment of the 2022A Bonds. An action must be instituted, had and maintained in the manner provided in this paragraph for the benefit of all of the Owners and beneficial owners of the 2022A Bonds.

The Authority may modify from time to time, consistent with Rule 15c2-12, the information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Authority, but:

- (1) any such modification may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Authority;

(2) the information to be provided, as modified, would have complied with the requirements of Rule 15c2-12 as of the date of this Official Statement, after taking into account any amendments or interpretations of Rule 15c2-12 as well as any changes in circumstances;

(3) any such modification does not materially impair the interest of the Owners or the beneficial owners, as determined by nationally recognized bond counsel or by the approving vote of the Owners of a majority in principal amount of the 2022A Bonds pursuant to the General Indenture as may be amended from time to time.

Any annual financial information containing modified operating data or financial information will explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

The undertaking described above will terminate upon payment, or provision having been made for payment in a manner consistent with Rule 15c2-12, in full of the principal of and interest on all of the 2022A Bonds.

The Authority did not have any bonds or other indebtedness subject to a Rule 15c2-12 undertaking outstanding in the last five years.

LEGAL MATTERS

Legal matters related to the authorization, execution, sale and delivery of the 2022A Bonds are subject to the approval of Womble Bond Dickinson (US) LLP, Raleigh, North Carolina, Bond Counsel. Certain legal matters will be passed upon for the Authority by Patla, Straus, Robinson & Moore, P.A., Asheville, North Carolina, Authority Counsel, and for the Underwriters by Butler Snow LLP, Richmond, Virginia, counsel to the Underwriters.

LITIGATION

No litigation is now pending or, to the best of the Authority's knowledge, threatened, against or affecting the Authority seeking to restrain or enjoin the adoption, authorization, execution or delivery of the 2022A Bonds, the General Indenture or the Second Series Indenture, or contesting the validity or the authority or proceedings for the adoption, authorization, execution or delivery of the 2022A Bonds, the General Indenture or the Second Series Indenture, or the Authority's creation, organization or corporate existence, or the title of any of the Authority's present officers to their respective offices, or the Authority's authority to carry out its obligations thereunder, or which would have a material adverse affect on the Authority's condition, financial or otherwise.

TAX TREATMENT

Opinion of Bond Counsel

In the opinion of Bond Counsel, under existing law and assuming continuing compliance by the Authority with certain covenants to comply with the requirements of the Code, regarding, among other matters, the use, expenditure and investment of the proceeds of the 2022A Bonds, and the timely payment of certain investment earnings to the United States Treasury, interest on the 2022A Bonds will not be includable in the gross income of the owners thereof for purposes of federal income taxation (except for

any owner of a 2022A Bond who is a “substantial user” of the facilities refinanced with the proceeds of the 2022A Bonds or a “related person” of a “substantial user” (as such terms are defined in the Code)).

Bond Counsel is also of the opinion that interest on the 2022A Bonds will be treated as a preference item for purposes of the federal alternative minimum tax imposed by the Code.

In addition, in the opinion of Bond Counsel, under existing law, interest on the 2022A Bonds will be exempt from all State of North Carolina income taxes.

Original Issue Premium

The initial public offering prices of the 2022A Bonds maturing on July 1, _____ (the “Premium Bonds”), are greater than the amounts payable at maturity. The difference between (a) the initial offering prices to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, wholesalers or other intermediaries) at which a substantial amount of each maturity of the Premium Bonds is sold and (b) the principal amount payable at maturity of such Premium Bonds constitutes original issue premium. In general, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond based on the owner’s yield over the remaining term of the Premium Bond, determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such Premium Bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner’s regular method of accounting against the bond premium allocable to that period and subtract such bond premium from the owner’s basis in such Premium Bond. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner’s original acquisition cost.

Owners and prospective purchasers of Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences in connection with the ownership and disposition of Premium Bonds.

Original Issue Discount

The initial public offering prices of the 2022A Bonds maturing on July 1, _____ (the “Discount Bonds”) are less than the amounts payable at maturity. An amount not less than the difference between the initial offering price to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents, wholesalers or other intermediaries) of the Discount Bonds and the amounts payable at maturity constitutes original issue discount. Under existing federal income tax law and regulations, the original issue discount on a Discount Bond is interest not includable in the gross income of an owner who purchases such Discount Bond in the original offering at the initial public offering price thereof and holds it to maturity, and such owner will not realize taxable gain upon payment of such Discount Bond at maturity. Owners who purchase Discount Bonds at a price other than the initial offering price or who do not purchase Discount Bonds in the initial public offering should consult their tax advisors with respect to the consequences of the ownership of such Discount Bonds. An owner who purchases a Discount Bond in the initial offering at the initial offering price and holds such Discount Bond to maturity is deemed under existing federal tax laws and regulations to accrue original issue discount on a constant yield basis under Section 1288 of the

Code from the date of original issue. An owner's adjusted basis in a Discount Bond is increased by accrued original issue discount for purposes of determining gain or loss on sale, exchange or other disposition of such Discount Bond. Accrued original issue discount may be taken into account as an increase in the amount of tax-exempt interest received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners and prospective purchasers of Discount Bonds should consult their own tax advisors regarding the calculation of accrued original issue discount for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the ownership or disposition of Discount Bonds.

Other Tax Consequences

Ownership or transfer of, or the accrual or receipt of interest on, the 2022A Bonds may result in collateral federal, State of North Carolina, other state or local tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, taxpayers who may be eligible for the federal earned income tax credit, and taxpayers subject to franchise, estate, inheritance, gift or capital gains taxes. Prospective purchasers of the 2022A Bonds should consult their tax advisors as to any such possible tax consequences. Except to the extent covered in its legal opinion, Bond Counsel expresses no opinion regarding any such collateral tax consequences.

No assurance can be given that future legislation, including amendments to the Code or interpretations thereof, if enacted into law, or certain litigation or judicial decisions, if upheld, will not contain provisions or produce results which could, directly or indirectly, reduce the benefit of the excludability of interest on the 2022A Bonds from gross income for federal income tax purposes.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2022A Bonds.

Interest paid on tax-exempt obligations, such as the 2022A Bonds, will be subject to information reporting in a manner similar to interest paid on taxable obligations. Although such reporting requirement does not, in and of itself, affect the excludability of interest with respect to the 2022A Bonds from gross income for federal income tax purposes, such reporting requirement causes the payment of interest with respect to the 2022A Bonds to be subject to backup withholding if such interest is paid to beneficial owners who (a) are not "exempt recipients," and (b) either fail to provide certain identifying information (such as the beneficial owner's taxpayer identification number) in the required manner or have been identified by the Service as having failed to report all interest and dividends required to be shown on their income tax returns. Generally, individuals are not exempt recipients, whereas corporations and certain other entities generally are exempt recipients. Amounts withheld under the backup withholding rules from a payment to a beneficial owner would be allowed as a refund or credit against such beneficial owner's federal income tax liability provided the required information is furnished to the Service.

LEGALITY FOR INVESTMENT

Section 159-140 of the General Statutes of North Carolina provides that the 2022A Bonds are securities in which all public officers and public bodies of the State of North Carolina and its political subdivisions and agencies and all insurance companies, trust companies, investment companies, banks, savings banks, building and loan associations, savings and loan associations, credit unions, pension or retirement funds, other financial institutions engaged in business in the State of North Carolina, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them, and the 2022A Bonds are securities which may properly and legally be deposited with and received by any State of North Carolina or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds, notes or obligations of the State is now or may hereafter be authorized by law.

RATINGS

[**Moody's Investors Service ("Moody's"), S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), and Fitch Ratings, Inc. ("Fitch")**], have assigned to the 2022A Bonds the respective ratings set forth on the front cover hereof. Further explanation of the significance of such ratings may be obtained from [**Moody's, S&P and Fitch**]. The Authority has provided to [**Moody's, S&P and Fitch**] certain information that has not been included in this Official Statement. The ratings are not a recommendation to buy, sell or hold the 2022A Bonds and should be evaluated independently. There is no assurance that such ratings will not be withdrawn or revised downward by [**Moody's, S&P or Fitch**]. Such action may have an adverse effect on the market price of the 2022A Bonds. Neither the Authority nor the Underwriter has undertaken any responsibility after the issuance of the 2022A Bonds to assure maintenance of the ratings or to oppose any such revision or withdrawal.

UNDERWRITING

The Underwriters have entered into a Bond Purchase Agreement to purchase all of the 2022A Bonds, if any of such 2022A Bonds are to be purchased, at a purchase price equal to 100% of the principal amount thereof, plus a net original issue premium of \$_____ and less an underwriters' discount of \$_____. The obligation of the Underwriters to pay for such 2022A Bonds is subject to certain terms and conditions set forth in the Bond Purchase Agreement.

The Underwriters may offer and sell the 2022A Bonds to certain dealers (including dealers depositing the 2022A Bonds into investment trusts) and others at prices lower than the initial public offering prices stated on the cover page hereof. The public offering prices may be changed from time to time by the Underwriters.

In the ordinary course of their various business activities, the Underwriters and their affiliates, officers, directors, and employees may purchase sell or hold a broad array of investments and may actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Authority, the Commission or their affiliates (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority, the Commission or their affiliates. The Underwriters and their affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. In addition, in the ordinary

course of their businesses, the Underwriters and their affiliates may engage in transactions with and perform services for, the Authority, the Commission and their affiliates for which they received or will receive customary fees and expenses.

FINANCIAL ADVISOR

PFM Financial Advisors LLC is serving as Financial Advisor to the Authority in connection with the issuance of the 2022A Bonds.

MISCELLANEOUS

Members of the Commission staff have participated in the preparation of this Official Statement and other documents related to the issuance of the 2022A Bonds, but the Commission and its staff assume no responsibility for the accuracy or completeness of any representation or statement in this Official Statement other than those made in Appendix D hereto.

The Commission and the Authority have each duly authorized the delivery of this Official Statement.

APPENDIX A
FINANCIAL INFORMATION OF THE AUTHORITY

APPENDIX B
AIRPORT CONSULTANT'S REPORT

APPENDIX C

SUMMARY OF THE GENERAL INDENTURE AND SECOND SERIES INDENTURE

APPENDIX D

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION

APPENDIX D

THE NORTH CAROLINA LOCAL GOVERNMENT COMMISSION

The Local Government Commission (the “Commission”) is composed of nine members: the State Treasurer, the Secretary of State, the State Auditor, the Secretary of Revenue and five others by appointment (three by the Governor, one by the General Assembly upon recommendation of the President Pro Tempore of the Senate and one by the General Assembly upon recommendation of the Speaker of the House of Representatives). The State Treasurer serves as Chairman and selects the Secretary of the Commission, who heads the administrative staff serving the Commission.

A major function of the Commission is the approval, sale and delivery of substantially all North Carolina local government bonds and notes. A second key function is monitoring certain fiscal and accounting standards prescribed for units of local government by The Local Government Budget and Fiscal Control Act. In addition, the Commission furnishes, upon request, on-site assistance to units of local government concerning existing financial and accounting systems as well as aid in establishing new systems. Further, educational programs and materials are provided for local officials concerning finance and cash management.

Before any unit of local government can incur bonded indebtedness, the proposed bond issue must be approved by the Commission. In determining whether to give such approval the Commission may consider, among other things, the unit’s debt management procedures and policies, its compliance with The Local Government Budget and Fiscal Control Act and its ability to service the proposed debt. All general obligation issues are customarily sold on the basis of formal sealed bids submitted at the Commission’s offices in Raleigh and are subsequently delivered to the successful bidder by the Commission. The Commission maintains records for all units of local government of principal and interest payments coming due on bonded indebtedness in the current and future years and monitors the payment by the units of local government of debt service through a system of monthly reports.

As a part of its role in assisting and monitoring the fiscal programs of units of local government, the Commission attempts to ensure that the units of local government follow generally accepted accounting principles, systems and practices. The Commission’s staff also counsels the units of local government in treasury and cash management, budget preparation and investment policies and procedures. Educational programs, in the form of seminars or classes, are also provided by the Commission in order to accomplish these tasks. The monitoring of the financial systems of units of local government is accomplished through the examination and analysis of the annual audited financial statements and other required reports. The Local Government Budget and Fiscal Control Act requires each unit of local government to have its accounts audited annually by a certified public accountant or by an accountant certified by the Commission as qualified to audit local government accounts. A written contract must be submitted to the Secretary of the Commission for his approval prior to the commencement of the audit.

The Commission has the statutory authority to impound the books and records of any unit of local government and assume full control of all its financial affairs (a) when the unit defaults on any debt service payment or, in the opinion of the Commission, will default on a future debt service payment if the financial policies and practices of the unit are not improved or (b) when the unit persists, after notice and warning from the Commission, in willfully or negligently failing or refusing to comply with the provisions of The Local Government Finance Act. When the Commission takes action under this authority, the Commission is vested with all of the powers of the governing board of the unit of local government as to the levy of taxes, expenditure of money, adoption of budgets and all other financial powers conferred upon such governing board by law.

In addition, if a unit of local government fails to pay any installment of principal or interest on its outstanding debt on or before its due date and remains in default for 90 days, the Commission may take such action as it deems advisable to investigate the unit's fiscal affairs, consult with its governing board and negotiate with its creditors in order to assist the unit in working out a plan for refinancing, adjusting or compromising such debt. When a plan is developed that the Commission finds to be fair and equitable and reasonably within the ability of the unit of local government to meet, the Commission will enter an order finding that the plan is fair, equitable and within the ability of the unit to meet and will advise the unit to take the necessary steps to implement such plan. If the governing board of the unit declines or refuses to do so within 90 days after receiving the Commission's advice, the Commission may enter an order directing the unit to implement such plan and may apply for a court order to enforce such order. When a refinancing plan has been put into effect, the Commission has the authority (a) to require any periodic financial reports on the unit's financial affairs that the Secretary deems necessary and (b) to approve or reject the unit's annual budget ordinance. The governing board of the unit of local government must also obtain the approval of the Secretary of the Commission before adopting any annual budget ordinance. The power and authority granted to the Commission as described in this paragraph will continue with respect to a defaulting unit of local government until the Commission is satisfied that the unit has performed or will perform the duties required of it in the refinancing plan and until agreements made with the unit's creditors have been performed in accordance with such plan.

APPENDIX E

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX F

DTC'S BOOK-ENTRY-ONLY SYSTEM

DTC'S BOOK-ENTRY-ONLY SYSTEM

Beneficial ownership interests in the 2022A Bonds will be available only in a book-entry system. The actual purchasers of the 2022A Bonds (the "Beneficial Owners") will not receive physical bonds representing their interests in the 2022A Bonds purchased. So long as The Depository Trust Company ("DTC") or its nominee is the registered owner of the 2022A Bonds, references in this Official Statement to the Owners of the 2022A Bonds shall mean DTC or its nominee and shall not mean the Beneficial Owners.

THE FOLLOWING DESCRIPTION OF DTC, ITS PROCEDURES AND RECORD KEEPING WITH RESPECT TO BENEFICIAL OWNERSHIP INTERESTS IN THE 2022A BONDS, PAYMENT OF INTEREST AND OTHER PAYMENTS WITH RESPECT TO THE 2022A BONDS TO DTC PARTICIPANTS OR TO BENEFICIAL OWNERS, CONFIRMATION AND TRANSFER OF BENEFICIAL OWNERSHIP INTERESTS IN THE 2022A BONDS AND/OR OTHER TRANSACTIONS BY AND BETWEEN DTC, DTC PARTICIPANTS AND BENEFICIAL OWNERS IS BASED ON INFORMATION FURNISHED BY DTC.

DTC will act as securities depository for the 2022A Bonds. The 2022A Bonds will be registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered bond for each maturity of the 2022A Bonds will be registered in the name of Cede & Co., as nominee for DTC, each in the aggregate principal amount of such maturity and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE 2022A BONDS, AS DTC'S PARTNERSHIP NOMINEE, REFERENCE HEREIN TO THE OWNERS OR REGISTERED OWNERS OF THE 2022A BONDS SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE 2022A BONDS.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers; banks trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2022A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2022A Bonds on DTC's records. The ownership interest

of each actual purchaser of the 2022A Bonds defined above is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participants through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2022A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial owners will not receive physical bonds representing their ownership interests in 2022A Bonds, except in the event that use of the book-entry system for the 2022A Bonds is discontinued.

To facilitate subsequent transfers, all 2022A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2022A Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not affect any change in beneficial ownership. DTC has no knowledge of the identities of the actual Beneficial Owners of the 2022A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2022A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the 2022A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the 2022A Bonds, such as redemptions, defaults and proposed amendments to the security documents. For example, Beneficial Owners of the 2022A Bonds may wish to ascertain that the nominee holding the 2022A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2022A Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the 2022A Bond to be prepaid.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the 2022A Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting and voting rights to those Direct Participants to whose accounts the 2022A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

BECAUSE DTC IS TREATED AS THE OWNER OF THE 2022A BONDS FOR SUBSTANTIALLY ALL PURPOSES UNDER THE BOND ORDER AND SERIES INDENTURE, BENEFICIAL OWNERS MAY HAVE A RESTRICTED ABILITY TO INFLUENCE IN A TIMELY FASHION REMEDIAL ACTION OR THE GIVING OR WITHHOLDING OR REQUESTED CONSENTS OR OTHER DIRECTIONS. IN ADDITION, BECAUSE THE IDENTITY OF BENEFICIAL OWNERS IS UNKNOWN TO THE AUTHORITY OR TO DTC, IT MAY BE DIFFICULT TO TRANSMIT INFORMATION OF POTENTIAL INTEREST TO BENEFICIAL OWNERS IN AN EFFECTIVE AND TIMELY MANNER. BENEFICIAL OWNERS SHOULD MAKE APPROPRIATE ARRANGEMENTS WITH THEIR BROKER OR DEALER REGARDING

DISTRIBUTION OF INFORMATION REGARDING THE 2022A BONDS THAT MAY BE TRANSMITTED BY OR THROUGH DTC.

Principal and interest payments on the 2022A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participants and not of DTC (nor its nominee) or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the Authority's responsibility, disbursement of such payments to Direct Participants is DTC's responsibility, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants. THE AUTHORITY CANNOT AND DOES NOT GIVE ASSURANCE THAT DIRECT AND INDIRECT PARTICIPANTS WILL PROMPTLY TRANSFER PAYMENTS TO BENEFICIAL OWNERS.

DTC may discontinue providing its services as securities depository with respect to the 2022A Bonds at any time by giving reasonable notice to the Authority. Under such circumstances, in the event that a successor depository is not obtained, physical bonds are required to be printed and delivered. The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical bonds will be printed and delivered to DTC.

THE AUTHORITY HAS NO RESPONSIBILITY OR OBLIGATION TO DTC, THE DIRECT PARTICIPANTS, THE INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY PARTICIPANT, OR THE MAINTENANCE OF ANY RECORDS; (2) THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE 2022A BONDS, OR THE SENDING OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT TO THE 2022A BONDS, OR THE SENDING OF ANY TRANSACTION STATEMENTS; (3) THE DELIVERY OR TIMELINESS OF DELIVERY BY DTC OR ANY PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE BOND ORDER AND SERIES INDENTURE TO BE GIVEN TO OWNERS; (4) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENTS UPON ANY PARTIAL REDEMPTION OF THE 2022A BONDS; OR (5) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC OR ITS NOMINEE AS THE REGISTERED OWNER OF THE 2022A BONDS, INCLUDING ANY ACTION TAKEN PURSUANT TO AN OMNIBUS PROXY.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources the Authority believes to be reliable, but the Authority takes no responsibility for accuracy thereof.

BOND PURCHASE AGREEMENT

Relating to

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2022A

May [19], 2022

Local Government Commission
Raleigh, North Carolina

Greater Asheville Regional Airport Authority
Fletcher, North Carolina

Ladies and Gentlemen:

Raymond James & Associates, Inc., on behalf of itself and as representative (the “Representative”) of _____ (collectively, with the Representative, the “Underwriters”) hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Local Government Commission, a division of the Department of the State Treasurer of the State of North Carolina (the “LGC”), and the Greater Asheville Regional Airport Authority (the “Authority”). The Underwriters are making this offer subject to the acceptance by the LGC and approval by the Authority on or before 5:00 p.m., Raleigh North Carolina time, on the date hereof. On acceptance of this offer by the LGC and approval of this offer and the LGC’s acceptance thereof by the Authority, this Purchase Agreement will be binding on the LGC, the Authority and the Underwriters. The Underwriters may withdraw this offer upon written notice delivered by the Representative to the Chief Financial Officer of the Authority at any time before the LGC accepts and the Authority approves this Purchase Agreement. Terms used but not defined in this Purchase Agreement are defined in the Indentures (as defined in Section 2 below).

1. **Agreement to Purchase and Sell the Bonds.** Upon the terms and conditions and in reliance upon the representations, warranties and agreements herein set forth, the Underwriters hereby agree to purchase from the LGC and the Authority, and the LGC and the Authority hereby agree to sell and deliver to the Underwriters, all (but not less than all) of the Greater Asheville Regional Airport Authority Airport System Revenue Bonds (AMT), Series 2022A (the “Bonds”), at the purchase price of \$ _____ (the “Purchase Price”), representing the aggregate principal amount of the Bonds of \$ _____, [plus][less] [net] original issue [premium][discount] of \$ _____, less an Underwriters’ discount of \$ _____, such delivery, payment and other actions contemplated hereby to take place at the Closing (as defined herein).

The Authority and the LGC acknowledge and agree that: (i) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm’s length commercial transaction among the Authority, the LGC and the Underwriters; (ii) the Underwriters have financial and other interests that differ from those of the Authority and the LGC; (iii) the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Authority and the LGC and have not assumed any advisory or fiduciary responsibility to the Authority or the LGC

with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Authority or the LGC on other matters); (iv) the only obligations the Underwriters have to the Authority and the LGC with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the Authority and the LGC have consulted their own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent each has deemed appropriate.

2. **Description and Purpose of the Bonds.** The Bonds shall be issued pursuant to The State and Local Government Revenue Bond Act, Article 5, as amended, of Chapter 159 of the General Statutes of North Carolina (the “Act”), an order adopted by the Authority on [April 8], 2022 (the “Order”), a General Trust Indenture, dated as of September 1, 2016 (the “Original Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and a Series Indenture, Number 2, dated as of _____ 1, 2022 (the “Second Series Indenture”), between the Authority and the Trustee. In connection with the issuance of the Bonds, the Authority has proposed to enter into an Amended and Restated General Indenture, dated as of [May] 1, 2022 (the “Amended and Restated General Indenture”), between the Authority and the Trustee amending and restating the Original Indenture, which will be effective upon consent of a majority in aggregate principal amount of the bonds outstanding under the Original Indenture, which is expected to occur upon issuance of the Bonds. The Original Indenture, including to the extent so amended by the Amended and Restated General Indenture, and the Second Series Indenture are herein collectively referred to as the “Indentures”). The Bonds shall mature in the years, bear interest, be purchased at the prices and for the yields, and be subject to redemption at the times and in the amounts, all as set forth in Schedule I attached hereto. The Bonds shall be secured under the provisions of the Act and the Indentures. The other details and particulars of the Bonds, including, without limitation, the use of the proceeds thereof, shall be as described in the Indentures and the Official Statement (as defined below).

3. **Delivery of the Official Statement and Other Documents.**

(a) The LGC and the Authority have caused to be delivered to the Underwriters copies of the Preliminary Official Statement dated May [], 2022, which, together with the cover page and appendices thereto, is herein referred to as the “Preliminary Official Statement.” It is acknowledged by the LGC and the Authority that the Underwriters may deliver the Preliminary Official Statement and the Official Statement electronically over the internet and in printed paper form. For purposes of this Purchase Agreement, the printed paper form of the Preliminary Official Statement and the Official Statement are deemed controlling. The LGC hereby deems the Preliminary Official Statement final as of its date and as of the date hereof for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12” or the “Rule”), except for any information which is permitted to be omitted therefrom in accordance with paragraph (b)(1) thereof.

(b) Within seven (7) business days from the date hereof, and in any event not later than three (3) business days before the Closing Date (as defined herein), the LGC and the Authority shall deliver or cause to be delivered to the Underwriters at least two copies of a final Official Statement relating to the Bonds dated the date hereof (such Official Statement, including the cover page, and all appendices attached thereto, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements and statements incorporated by reference therein or attached thereto, as have been approved by the LGC, the Authority, Bond Counsel and the Representative, is referred to herein as the “Official Statement”) and such additional conformed copies thereof as the Representative may reasonably request in sufficient quantities to comply with Rule 15c2-12, rules of the Municipal Securities Rulemaking Board (“MSRB”) and to meet potential

customer requests for copies of the Official Statement. The Underwriters agree to file a copy of the Official Statement, including any amendments or supplements thereto prepared by the LGC, with the MSRB on its Electronic Municipal Markets Access (“EMMA”) system. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by Rule 15c2-12, the LGC and the Authority shall only make such other additions, deletions and revisions in the Official Statement which are approved by the Representative. The Underwriters hereby agree to cooperate and assist in the preparation of the Official Statement. The LGC and the Authority hereby agree to deliver or cause to be delivered to the Underwriters an electronic copy of the Official Statement in a form that permits the Underwriters to satisfy their obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (“SEC”). The LGC and the Authority each hereby ratify, confirm and approve the use and distribution (electronically or otherwise) by the Underwriters before the date hereof of the Preliminary Official Statement and hereby authorizes the Underwriters to use the Official Statement and the Indentures in connection with the public offering and sale of the Bonds.

(c) The Authority also authorizes and ratifies the references in the Preliminary Official Statement and in the Official Statement to the Indentures, and the use by the Underwriters of copies of the same, together with the following documents in connection with the public offering and sale of the Bonds: (i) the Report of Landrum & Brown, Incorporated (the “Airport Consultant”); and (ii) the audited financial statements of the Authority for the fiscal year ended June 30, 2021.

(d) During the period commencing on the date hereof and ending twenty-five (25) days from the end of the underwriting period (as defined below), the LGC or the Authority shall advise the Representative if any event shall occur, including, but not limited to, any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the Authority and of which the Authority has knowledge, that would cause the Official Statement to contain an untrue or incorrect statement or material fact or to omit to state a material fact which should be included therein for the purpose for which the Official Statement is to be used or which is necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. If, in the reasonable opinion of the Representative, such event requires an amendment or supplement to the Official Statement, the Authority will at its expense promptly amend or supplement the Official Statement in any form and manner jointly approved by the Authority, the LGC and the Representative. Anything in this Section to the contrary notwithstanding, in no event shall the Authority or the LGC be under any obligation to perform any continuing due diligence or monitoring to determine if any event described in this Section has occurred subsequent to the end of the underwriting period. The “end of the underwriting period” means the Closing Date unless the Representative advises the Authority and the LGC in writing on such Closing Date that, as of such date, there remains an unsold balance of the Bonds, in which case the “end of the underwriting period” means the date as of which the Representative notifies the Authority and the LGC that the Underwriters, directly or as a syndicate, no longer retain an unsold balance of the Bonds for sale to the public; however, in no event shall the “end of the underwriting period” extend beyond the date sixty (60) days from the Closing Date.

(e) In order to assist the Underwriters in complying with Rule 15c2-12, the Authority will undertake, pursuant to the Second Series Indenture, to provide annual financial information and notices of the occurrence of certain enumerated events (the “Continuing Disclosure Undertaking”). A description of the Continuing Disclosure Undertaking is set forth in the Preliminary Official Statement and the Official Statement.

4. **Public Offering.** The Underwriters agree to make a bona fide public offering of the Bonds of each maturity at a price not in excess of the initial offering price set forth with respect to such

maturity on the inside cover page of the Official Statement; provided, however, after such bona fide public offering the Underwriters may change such prices to the extent that the Underwriters deem necessary or desirable, in their sole discretion, in connection with the marketing of the Bonds (subject to the requirements of Section 5 hereof), and may offer and sell the Bonds to certain dealers, unit investment trusts and money market funds, certain of which may be sponsored or managed by one or more of the Underwriters, at prices lower than the public offering prices or yields greater than the yields set forth therein (subject to the requirements of Section 5 hereof). As used in this paragraph, the term “public” means the general public of investors who are purchasing for their own account as ultimate purchasers and does not include bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers, including any of the Underwriters, any affiliates or affiliated accounts of any of the Underwriters, or dealers (including dealer banks and dealers depositing the Bonds into investment trusts).

5. **Establishment of Issue Price.**

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, substantially in the form attached hereto as Exhibit D, together with the supporting pricing wires or equivalent communications, with such modifications as may be deemed appropriate or necessary, in the reasonable judgment of the Representative, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Schedule I attached hereto, the Authority represents that it will treat the first price at which 10% of each maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test). If, as of the date hereof, the 10% Test has not been satisfied as to any maturity of the Bonds for which the Authority has elected to utilize the 10% Test, the Representative agrees to promptly report to the Authority the prices at which Bonds of that maturity or maturities have been sold by the Underwriters to the public. That reporting obligation shall continue until the earlier of the date upon which the 10% Test has been satisfied as to the Bonds of that maturity or maturities or the Closing Date.

(c) The Representative confirms that the Underwriters have offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% Test has not been satisfied and for which the Authority and the Representative, on behalf of the Underwriters, agrees that the restrictions set forth in the next sentence shall apply (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

(1) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% Test has been satisfied as to the Bonds of that maturity and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below),

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(2) any agreement among underwriters and any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it until either all Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

The Authority acknowledges that, in making the representations set forth in this Section, the Representative will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement to comply with its agreement regarding the hold-the-offering-price rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(e) The Underwriters acknowledge that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

- (i) “public” means any person other than an underwriter or a related party to an underwriter,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date of execution of this Purchase Agreement by all parties.

6. **Representations and Warranties of the LGC.** The LGC makes the following representations and warranties to the Underwriters, all of which survive the delivery of the Bonds:

(a) The LGC is duly organized and validly existing as a division of the Department of the State Treasurer of the State of North Carolina, vested with the rights and powers conferred on it pursuant to Chapter 159 of the General Statutes of North Carolina, as amended.

(b) The LGC has full power and authority to approve the issuance and provide for the sale of the Bonds as provided in this Purchase Agreement, and the LGC has taken or will take all action required by the Act or other applicable laws in connection therewith.

(c) The LGC has duly authorized the execution and delivery of this Purchase Agreement and has taken or will take all action necessary or appropriate to carry out the sale and delivery of the Bonds to the Underwriters.

(d) The execution and delivery of this Purchase Agreement and the performance by the LGC of its obligations hereunder are within the powers of the LGC and, to the best of the LGC’s knowledge, will not conflict with or constitute a breach or result in a violation of (1) any federal or North Carolina constitutional or statutory provision, (2) any agreement or other instrument to which the LGC is a party or by which it is bound, or (3) any order, rule, regulation,

decree or ordinance of any court, government or governmental authority having jurisdiction over the LGC.

(e) The LGC has duly approved and authorized the Preliminary Official Statement and the Official Statement and the execution, delivery and distribution of the Official Statement in connection with the public offering and sale of the Bonds.

(f) No consent, approval, authorization or order of any governmental or regulatory authority, other than the approvals of the Authority as herein required, is required to be obtained by the LGC as a condition precedent to the issuance or sale of the Bonds or the execution and delivery of the Official Statement or this Purchase Agreement or the performance by the LGC of its obligations hereunder; provided, however, that no representation or warranty is expressed as to any action required under federal or North Carolina or other state securities or blue sky laws in connection with the offering or sale of the Bonds by the Underwriters.

(g) There is no litigation or any other proceeding before any court or governmental body or agency pending or, to the knowledge of the LGC, threatened against or involving the LGC to restrain or enjoin the issuance or delivery of the Bonds or the execution or delivery by the LGC of this Purchase Agreement and the performance of its obligations hereunder.

7. **Representations and Warranties of the Authority.** The Authority makes the following representations and warranties to the Underwriters, all of which survive the delivery of the Bonds:

(a) The Authority is a public body duly organized and validly existing under the Constitution and laws of the State of North Carolina, particularly Chapter 168, 1939 Session Public-Local Laws, as amended (the "Enabling Act"), and is authorized pursuant to the provisions of the Enabling Act and the Act to (1) issue the Bonds for the purposes set forth in the Official Statement and (2) secure the Bonds in the manner provided in the Indentures.

(b) The Authority (1) has full legal right, power and authority to execute and deliver this Purchase Agreement and the Indentures (collectively, the "Bond Documents"), to issue and deliver the Bonds to the Underwriters as provided herein and to carry out and consummate all the transactions and undertakings described in the Official Statement or contemplated by each of the aforesaid Bond Documents, including, without limitation, the Continuing Disclosure Undertaking, and (2) has complied with all provisions of applicable law, including the Enabling Act and the Act, in all material matters relating to such transactions and undertakings.

(c) By all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized all necessary action to be taken by it for (1) the execution and delivery by the Authority of the Bond Documents and the issuance and sale of the Bonds, (2) the approval, execution and delivery of, and the performance by the Authority of the obligations on its part, contained in the Bonds and the Bond Documents, (3) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds and (4) the consummation by it of all other transactions and undertakings, including, without limitation, the Continuing Disclosure Undertaking, described in the Official Statement, the Bond Documents and any and all such other agreements and documents as may be required to be

executed, delivered and/or received by the Authority in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement.

(d) This Purchase Agreement has been duly authorized, executed and delivered and constitutes a legal, valid and binding agreement of the Authority enforceable against the Authority in accordance with its terms, except as enforcement of the foregoing may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

The Indentures, when duly executed and delivered (and assuming due authorization, execution and delivery of such documents by the other parties thereto), will constitute legal, valid and binding agreements of the Authority enforceable against the Authority in accordance with their respective terms, except as enforcement of the foregoing may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(e) The Bonds, when issued, delivered and paid for, in accordance with the Indentures and this Purchase Agreement, will have been duly authorized, executed, issued and delivered by the Authority and will constitute the valid and binding obligations of the Authority, enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights. On the issuance, authentication and delivery of the Bonds as aforesaid, the Indentures will provide, for the benefit of the Bond holders, from time to time, the legally valid and binding pledge of and lien it purports to create as set forth in the Indentures.

(f) The Bonds will be in substantially the form set forth in the Second Series Indenture.

(g) All material leases, use agreements and similar instruments utilized by the Authority in connection with the operation of the Airport System have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the Authority enforceable in accordance with their respective terms, except as enforcement of the foregoing may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(h) The execution and delivery of the Bond Documents, the issuance and delivery of the Bonds and compliance with the provisions of each do not and will not conflict with or constitute on the part of the Authority a violation of, breach of or default under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or by which the Authority or any of its property is bound, or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties, and such action will not result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or other assets of the Authority under the terms of any such law, agreement, instrument, order, rule or regulation, except as provided or permitted by the Bonds and the Bond Documents.

(i) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Bond Documents, the issuance of the Bonds or the due performance by the Authority of its obligations under the Bond Documents, and the Bonds, have been or will be obtained at or prior to Closing.

(j) Subject to the provisions of the Indentures, the Authority has the legal authority to apply and will apply the proceeds derived from the sale of the Bonds to the purposes specified in the Second Series Indenture, including for payment or reimbursement of Authority expenses incurred in connection with the negotiation, marketing, issuance and delivery of the Bonds to the extent required in Section 9 of this Purchase Agreement, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds. The Bonds and the Bond Documents conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement under the captions “**THE 2022A BONDS**” and “**SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS.**” The proceeds of the sale of the Bonds will be applied generally as described in the Preliminary Official Statement and the Official Statement under the captions “**THE PROJECT**” and “**ESTIMATED SOURCES AND USES OF FUNDS.**”

(k) The Authority is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the financial condition of the Authority has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Authority under any of the foregoing.

(l) The Authority has delivered the Preliminary Official Statement to the Underwriters and has deemed the Preliminary Official Statement to be a final official statement within the meaning of the Rule, except for the omission of the offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, the presence of credit enhancement and other terms of the securities depending on such matters, and the Authority deems the Official Statement to be a final official statement for the purposes of the Rule;

(m) The Preliminary Official Statement, as of its date and as of the date of this Purchase Agreement, did not and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(n) At the time of the Authority’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to Section 3(d) of this Purchase Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit

to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

If the Official Statement is supplemented or amended pursuant to Section 3(d) of this Purchase Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto and before “end of the underwriting period,” as defined in the Rule, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which made, not misleading.

(o) The financial statements of, and other financial information regarding the Authority in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the Authority as of the dates and for the periods therein set forth. The financial statements of the Authority have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the Authority’s audited financial statements included in the Preliminary Official Statement and in the Official Statement. Subsequent to the respective dates of the most recent financial statements included in the Preliminary Official Statement and the Official Statement, there has been no material adverse change in the financial position or results of operations of the Authority except as set forth or contemplated in the Preliminary Official Statement and the Official Statement.

(p) Except as disclosed in the Preliminary Official Statement and the Official Statement, the Authority has not failed during the previous five years to comply with any previous undertakings in a written continuing disclosure contract or agreement under Rule 15c2-12.

(q) Between the date hereof and the date of Closing, the Authority will not issue any bonds, notes or other obligations for borrowed money which will materially and adversely affect the transactions contemplated by the Official Statement, and subsequent to the respective dates as of which information is given by the Official Statement and up to and including the date of Closing, the Authority has not incurred and will not incur any material liabilities, direct or contingent, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the Authority, except as described in the Official Statement.

(r) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request (1) to (i) qualify the Bonds for offer and sale under the securities laws or regulations of such states and other jurisdictions of the United States as the Underwriters may designate, and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (2) continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that in no event is the Authority obligated to take any action that would subject it to general service of process in any jurisdiction where it is not now so subject, or qualify it to do business in any such jurisdiction, it being understood that the Authority is not responsible for compliance with or the consequences of failure to comply with applicable state securities laws and regulations. The Authority will advise the Underwriters

immediately upon receipt by the Authority of any written notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation of any proceeding for that purpose.

(s) No consent, approval, authorization or order of, or filing or registration with, any court or governmental agency or body is required for the issuance, delivery or sale of the Bonds or the consummation of the other transactions contemplated by this Purchase Agreement, except as may be required under the blue sky or other securities laws or regulations of any jurisdiction in connection with the offering and sale of the Bonds by the Underwriters, or if any such consent, approval or authorization is required, the Authority will obtain it before the date of Closing and will provide evidence to the Underwriters that the same has been obtained.

(t) Any certificate signed by an authorized officer of the Authority and delivered to the Underwriters is deemed a representation and warranty of the Authority to the Underwriters as to the statements made therein.

(u) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Authority, threatened against the Authority: (1) affecting the existence of the Authority or the titles of its officers to their respective offices, (2) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds, (3) in any way contesting or affecting the validity or enforceability of the Bonds or the Bond Documents, (4) contesting the tax treatment of the interest on the Bonds as described in the Official Statement, (5) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (6) contesting the powers of the Authority or any authority for the issuance of the Bonds or the execution and delivery of the Bond Documents, nor, to the best knowledge of the Authority, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Bond Documents.

8. **Closing.** At 10:00 a.m., Raleigh, North Carolina time, on [May __], 2022, or at such other time or on such earlier or later date as we mutually agree upon (the “Closing Date”), the LGC and the Authority shall deliver or cause to be delivered through the facilities of The Depository Trust Company (“DTC”) in New York, New York or at such other place specified by the Underwriters, the Bonds duly executed and authenticated, and at the offices of Womble Bond Dickinson (US) LLP in Raleigh, North Carolina, the other documents hereinafter mentioned (such event referred to herein as the “Closing”). It is anticipated that a CUSIP identification number will be placed on the Bonds, but neither the failure to print such number on the Bonds nor any error with respect thereto constitutes cause for a failure or refusal by the Underwriters to accept delivery of and payment for the Bonds in accordance with the terms of this Purchase Agreement. On such delivery of the Bonds, the Underwriters shall pay the Purchase Price in immediately available funds to the order of the State Treasurer.

The Representative shall have the right to delay the Closing Date if, subsequent to the date hereof, and at any time prior to the Closing Date, a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred. The Closing Date shall be rescheduled on a date mutually agreed upon by the Authority, the LGC and the Representative once the material disruption has been alleviated.

The Bonds shall be made available to the Underwriters at least one (1) business day before the Closing Date for purposes of inspection.

9. **Conditions Precedent.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and agreements of the LGC and the Authority contained herein and the performance by the LGC and the Authority of their obligations hereunder, both as of the date hereof and as of the Closing Date.

(a) The Underwriters' obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(i) The representations of the LGC and the Authority contained herein shall be true, complete and correct in all material respects on the date of acceptance hereof and on and as of the Closing Date.

(ii) At the time of the Closing, the Official Statement, the Order, the Bond Documents and the Continuing Disclosure Undertaking shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Representative.

(iii) The LGC and the Authority shall perform or have performed all of its obligations required under or specified in the Order, the Bond Documents, and the Official Statement to be performed at or prior to the Closing.

(iv) The LGC shall have delivered or caused to be delivered to the Underwriters final Official Statements by the time, and in the numbers, required by Section 3 of this Purchase Agreement.

(v) As of the date hereof and at the time of Closing, all necessary official action of the LGC and the Authority relating to the Bond Documents and the Official Statement shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(vi) After the date hereof, up to and including the time of the Closing, there shall not have occurred any change in or particularly affecting the LGC, the Authority, the Act, the Authorizing Resolution, the Bond Documents or the Revenues as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Representative materially impairs the investment quality of the Bonds.

(b) On or before the date of the Closing, the Underwriters have received the following documents in form and substance satisfactory to the Underwriters:

(1) the approving opinion of Bond Counsel, dated as of the date of Closing, relating to the Bonds substantially in the form attached as APPENDIX E to the Official Statement, together with a letter of Bond Counsel, dated as of the date of Closing and addressed to the Underwriters, consenting to the Underwriters' reliance on such opinion;

(2) a supplemental opinion of Bond Counsel, dated as of the date of Closing and addressed to the Underwriters, in substantially the form attached hereto as Exhibit A;

(3) opinion of counsel to the Authority, dated as of the date of Closing and addressed to the Underwriters, in substantially the form attached hereto as Exhibit B;

(4) opinion of counsel to the Underwriters, dated as of the date of Closing and addressed to the Underwriters, in substantially the form attached hereto as Exhibit C;

(5) a copy of the Official Statement executed on behalf of the LGC and the Authority by duly authorized representatives thereof;

(6) a certificate, dated as of the date of Closing, signed by an Authority official satisfactory to the Underwriters, to the effect that the representations and warranties of the Authority set forth in this Purchase Agreement are true, accurate and complete as of the date of this Purchase Agreement and as of the date of Closing and the conditions to be complied with and obligations to be performed by the Authority hereunder on or prior to the date of Closing have been complied with and performed.

(7) a copy of the necessary resolutions of the LGC, certified by the Secretary or Deputy Secretary thereof, authorizing the LGC to sell the Bonds and to execute and deliver this Purchase Agreement and the Official Statement;

(8) a specimen Bond;

(9) copies, certified by appropriate officials of the Authority satisfactory to the Underwriters, of all proceedings of the Authority relating to approvals or authorizations for the Bonds, the execution and delivery of the Bond Documents and the Official Statement and authorizing the use of the Official Statement by the Underwriters in connection with the offering and sale of the Bonds;

(10) a certified copy of the Original Indenture;

(11) an executed copy of the Second Series Indenture;

(12) the Report of the Airport Consultant, together with the consent of the Airport Consultant to the inclusion of such Report in the Preliminary Official Statement and the Official Statement, including a certificate duly executed by appropriate officials of the Airport Consultant in form and substance satisfactory to the Representative, to the effect that (i) the contents of such Report were accurate as of the date of such Report and reflected events occurring through that date; and (ii) to the best of their knowledge, the information in such Report does not contain any untrue statements of a material fact, or omit to state any material facts which were known as of the date of such Report, and would have been necessary to be stated therein for the purposes of which they were used or to make the statements therein, in light of the circumstances under which they were made, not misleading;

(13) evidence that the Authority shall have received long-term ratings for the Bonds of not less than “___” by Moody’s Investors Service, not less than “___” by Fitch Ratings, and not less than “___” by S&P Global Ratings, which ratings shall have remained in effect and shall not have been downgraded on or prior to the Closing;

(14) a certificate of The Bank of New York Mellon Trust Company, N.A. (“BONY”), as trustee, dated the date of the Closing, substantially to the effect that (A) BONY has been duly organized and is validly existing as a national association in good standing under the laws of the United States of America with power and authority to act as trustee for the benefit of the registered owners of the Bonds pursuant to the terms of the Indentures; and (B) the Original Indentures have been duly authorized, executed and delivered by BONY and each constitutes the

legal, valid and binding agreement of BONY, as applicable, enforceable in accordance with their respective terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally or by general equitable principles;

(15) evidence that the LGC fees have been paid; and

(16) such additional certificates (including appropriate non-arbitrage certificates, no-litigation certificates, and incumbency certificates), opinions, proceedings, instruments or other documents as the Representative, Bond Counsel or counsel to the Underwriters may reasonably request to evidence compliance by the Authority with legal requirements, the truth and accuracy as of the date of the Closing of all representations herein contained, the excludability from gross income for federal and state income tax purposes of amounts received as interest by owners of the Bonds, and the due performance or satisfaction by the Authority at or prior to such date of all agreements then to be performed and all conditions then to be satisfied as contemplated under this Purchase Agreement.

All representations, warranties and agreements of the LGC and the Authority set forth in this Purchase Agreement remain operative and in full force and effect regardless of (a) any investigation made by or on behalf of the Underwriters or any person controlling the Underwriters and (b) acceptance of and payment for the Bonds by the Underwriters.

10. **Termination.** If the LGC or the Authority shall be unable to satisfy the conditions of the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be cancelled by the Representative at, or at any time before, the time of the Closing. Notice of such cancellation shall be given by the Representative to the LGC and the Authority in writing, or by telephone confirmed in writing. The performance by the LGC and the Authority of any and all conditions contained in this Purchase Agreement for the benefit of the Underwriters may be waived by the Representative.

The Underwriters shall also have the right, before the time of Closing, to cancel their obligations to purchase the Bonds, by written notice by the Representative to the LGC and the Authority, if between the date hereof and the time of Closing:

(a) an event shall have occurred that makes untrue or incorrect in any material respect, as of the time of such event, any statement or information set forth in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements and information set forth therein not misleading in any material respect and, in either such event, (i) the Authority does not permit the Official Statement to be supplemented to supply such statement or information, or (ii) the effect of the Official Statement as so supplemented, in the judgment of the Representative, is to materially adversely affect the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriters of the Bonds; or

(b) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for

consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Internal Revenue Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Bonds which, in the opinion of the Representative, materially adversely affects the market for the Bonds or the sale, at the contemplated offering prices (or yields), by the Underwriters of the Bonds; or

(c) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the Bonds are in violation or would be in violation of any provisions of the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); or

(d) an order, decree or injunction of any court of competent jurisdiction, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement or the Official Statement, is or would be in violation of any applicable law, rule or regulation, including (without limitation) any provision of applicable federal securities laws as amended and then in effect; or

(e) any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Bond Documents or the Continuing Disclosure Undertaking; or the existence or powers of the Authority with respect to its obligations under the Bond Documents or the Continuing Disclosure Undertaking; or

(f) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act or that the Indentures are not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or

(g) there shall have occurred any outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the reasonable judgment of the Representative, impractical or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner contemplated in the Preliminary Official Statement; or

(h) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the SEC or any other governmental agency having jurisdiction or any national securities exchange shall have: (i) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Bonds or similar obligations; or (ii) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of Underwriters or broker-dealers such as to make it, in the judgment of the Representative, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement; or

(i) a general banking moratorium shall have been declared by federal or New York or North Carolina state authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearing services shall have occurred such as to make it, in the judgment of the Representative, impractical or inadvisable to proceed with the offering of the Bonds as contemplated in the Official Statement; or

(j) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency in the State of North Carolina, or a decision by any court of competent jurisdiction within the State of North Carolina shall be rendered that, in the Representative's judgment, would have a material adverse effect on the market price of the Bonds;

(k) the marketability of the Bonds or the market price thereof, in the opinion of the Representative, has been materially and adversely affected by disruptive events, occurrences, or conditions in the securities or debt markets; or

(l) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the Authority's obligations, including, without limitation, the Bonds.

11. **Indemnification.** (a) To the fullest extent permitted by applicable law, the Authority agrees to indemnify and hold harmless the Underwriters and the LGC against any and all losses, damages, expenses (including reasonable legal and other fees and expenses), liabilities or claims (or actions in respect thereof), to which the Underwriters, the LGC or the other persons described in subsection (b) of this Section may become subject under any federal or state securities laws or other statutory law or at common law or otherwise, caused by or arising out of or based upon any untrue statement or misleading statement or alleged untrue statement or alleged misleading statement of a material fact contained in the Preliminary Official Statement or the Official Statement or caused by any omission or alleged omission from the Preliminary Official Statement or the Official Statement of any material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading unless such untrue statement or misleading statement, such alleged untrue statement or alleged misleading statement, or such omission or alleged omission was made in reliance on and in conformity with information furnished to the Authority by the Underwriters expressly for use in the Preliminary Official Statement or the Official Statement, including any amendment thereto.

(b) The indemnity provided under this Section will extend on the same terms and conditions to each officer, director, member, employee, agent or attorney of the Underwriters and the LGC, and each person, if any, who controls the Underwriters and the LGC within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act ("indemnified party"). Such indemnity will also extend,

without limitation, to any and all expenses whatsoever reasonably incurred by any indemnified party in connection with investigating, preparing for or defending against, or providing evidence, producing documents or taking any other reasonable action in respect of, any loss, damage, expense, liability or claim referred to in subsection (a) of this section (or action in respect thereof), whether or not resulting in any liability, and will include the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever as set forth herein, if such settlement is effected with the written consent of the Authority. Neither the officers, members, agents nor employees of the LGC is personally liable for the performance of any obligation under this Purchase Agreement.

(c) Within a reasonable time after an indemnified party under subsections (a) and (b) of this Section has been served with the summons or other first legal process or has received written notice of the threat of a claim in respect of which an indemnity may be claimed, such indemnified party must, if a claim for indemnity in respect thereof is to be made against the Authority under this Section, notify the Authority in writing of the commencement thereof; but the omission to so notify the Authority will not relieve it from any liability that it may have to any indemnified party other than pursuant to subsections (a) and (b) of this Section. The Authority is entitled to participate at its own expense in the defense, and if the Authority so elects within a reasonable time after receipt of such notice, or as all indemnified parties seeking indemnification in such notice so direct, the Authority will assume the defense of any suit brought to enforce any such claim, and such defense will be conducted by counsel chosen promptly by the Authority and reasonably satisfactory to the indemnified party; provided, however, that, if the defendants in any action include an indemnified party and the Authority, or include more than one indemnified party, and any such indemnified party has been advised by its counsel that there may be legal defenses available to such indemnified party that are different from or additional to those available to the Authority or another indemnified party, and that in the reasonable opinion of such counsel are sufficient to make it undesirable for the same counsel to represent such indemnified party and the Authority, or another indemnified party, such indemnified party will have the right to employ separate counsel in such action (and the Authority will not be entitled to assume the defense thereof on behalf of such indemnified party), and in such event the reasonable fees and expenses of such counsel will be borne by the Authority. Nothing contained in this subsection (c) precludes any indemnified party, at its own expense, from retaining additional counsel to represent such party in any action with respect to which indemnity may be sought from the Authority hereunder. The LGC has the right to employ separate counsel in any such action and participate in the investigation and defense thereof, and the reasonable fees and expenses of such counsel are to be paid by the Authority.

(d) If the indemnification provided for in subsections (a) and (b) of this Section is unavailable to or insufficient to hold harmless and indemnify any indemnified party in respect of any losses, damages, expenses, liabilities, or claims (or actions in respect thereof) referred to therein, or if the indemnified party failed to give the notice required under subsection (c) of this Section, then the Authority, on the one hand, and the indemnified party, on the other hand, will contribute to the amount paid or payable by the indemnified party as a result of such losses, damages, expenses, liabilities or claims (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Authority on the one hand and the indemnified party on the other hand from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Authority on the one hand and the indemnified party on the other hand will contribute to such amount paid or payable by the indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Authority on the one hand and the indemnified party on the other in connection with the statements or omissions that resulted in such losses, damages, expenses, liabilities or claims (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Authority on the one hand and the indemnified party on the other hand will be deemed to be in such proportion so that the indemnified party

is responsible for that portion represented by the percentage that the underwriting discount payable to the Underwriters hereunder (i.e., the excess of the aggregate public offering price for the Bonds as set forth on the cover page of the Official Statement over the price to be paid by the Underwriters to the Authority upon delivery of the Bonds as specified in Section 1) bears to the aggregate public offering price as described above, and the Authority is responsible for the balance. The relative fault will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Authority on the one hand or the indemnified party on the other hand and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

If an indemnified party has knowledge of a claim subject to the contribution provided by this subsection, such indemnified party agrees, within a reasonable time of obtaining such knowledge, to convey notice of such claim to the Authority. It is agreed and understood that if the indemnified party fails, under the circumstances set forth in the preceding sentence, to convey the above-referenced notice to the Authority, then the Authority will not be obligated to provide contribution pursuant to this subsection.

The Authority, the LGC and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection were determined by any method of allocation that does not take account of the equitable considerations referred to in this subsection. The amount paid or payable by an indemnified party as a result of the losses, damages, expenses, liabilities or claims (or actions in respect thereof) referred to in this subsection will be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

The indemnity and contribution provided by this Section is in addition to any other liability that the Authority may otherwise have hereunder, at common law or otherwise, and is provided solely for the benefit of the indemnified party, and its respective successors, assigns and legal representatives, and no other person will acquire or have any right under or by virtue of such provisions of this Purchase Agreement.

12. **Expenses.** All expenses and costs of the LGC and the Authority incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Bonds to the Underwriters, including the costs of printing or reproduction of the Bonds, the Bond Documents and the Official Statement in reasonable quantities, fees of consultants, fees of rating agencies, advertising expenses, fees and expenses of the Trustee and its counsel and fees and expenses of counsel to the Authority and Bond Counsel, shall be paid by the Authority from the proceeds of the Bonds or other revenues of the Authority. The Authority shall be solely responsible for and shall pay for any expenses incurred by the Underwriters on behalf of the Authority's employees and representatives which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees and representatives. All expenses and costs of the Underwriters incurred under or pursuant to this Purchase Agreement, including, without limitation, the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and expenses of counsel to the Underwriters, shall be paid by the Underwriters (which may be included as an expense component of the Underwriters' discount).

13. **Use of Documents.** The LGC and the Authority hereby authorize the Underwriters to use, in connection with the public offering and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement, the Official Statement and the Bond Documents, and the information contained herein and therein.

14. **Qualification of Securities.** The LGC and the Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and to provide for the continuance of such qualification; provided, however, that the LGC and the Authority will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any state.

15. **Notices.** Any notice or other communication to be given under this Purchase Agreement may be given by delivering the same in writing by registered or certified mail to the following addresses:

Local Government Commission
Long Leaf Building
3200 Atlantic Avenue
Raleigh, North Carolina 27604
Attention: Secretary

Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, North Carolina 28732
Attention: Director of Finance

Raymond James & Associates, Inc.
5820 Patterson Avenue, Suite 100
Richmond, Virginia 23226
Attention: D.J. Mehigan

16. **Benefit.** This Purchase Agreement is made solely for the benefit of the LGC, the Authority and the Underwriters (including their successors or assigns) and no other person, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. Except as otherwise expressly provided herein, all of the agreements and representations of the LGC and the Authority contained in this Purchase Agreement and in any certificates delivered pursuant hereto shall remain operative and in full force and effect regardless of: (i) any investigation made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds hereunder; or (iii) any termination of this Purchase Agreement, other than pursuant to Section 10.

17. **Attorneys' Fees.** In the event of a dispute arising under this Purchase Agreement, the prevailing party shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Purchase Agreement.

18. **Divestment Act Certification.** The Underwriters hereby represent that, as of the date hereof, none are listed on the Final Divestment List created and maintained by the North Carolina Department of State Treasurer pursuant to the Iran Divestment Act of 2015, Article 6E as amended, of Chapter 147 of the General Statutes of North Carolina.

19. **E-Verify.** The Underwriters and all their respective subcontractors shall comply with the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes, "Verification of Work Authorization" ("E-Verify"), and will provide documentation or sign affidavits or any other documents requested by the Authority demonstrating such compliance. The Underwriters acknowledge that failure to

comply with such law shall be deemed a breach of this Purchase Agreement and may render this Purchase Agreement void.

20. **Governing Law.** This Purchase Agreement is governed by, and to be construed in accordance with, the laws of the State of North Carolina.

21. **Counterparts.** This Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original hereof.

[Signature Pages Follow]

This Purchase Agreement is effective on the execution of the acceptance and approval hereof by duly authorized representatives of the LGC and the Authority and is valid and enforceable as of the time of such acceptance.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.,
as Representative of the Underwriters

By: _____
D.J. Mehigan
Managing Director

[Signatures continued on following pages]

Signature Page - 1

Counterpart Signature Page to the Bond Purchase Agreement
relating to the Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT), Series 2022A

Accepted:

LOCAL GOVERNMENT COMMISSION

By: _____

Secretary

[Signatures continued on following page]

Signature Page - 2

Counterpart Signature Page to the Bond Purchase Agreement
relating to the Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT), Series 2022A

Approved:

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

By: _____

Chair

Signature Page - 3

Counterpart Signature Page to the Bond Purchase Agreement
relating to the Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT), Series 2022A

DETAILS OF THE BONDS**Principal Amounts, Interest Rates, Prices and Yields
Optional and Mandatory Redemption**

Due (July 1)	Amount	Rate	Yield	Price	Type of Bond	10% Sold?
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[Mark any Hold-The-Price Maturities]

Redemption Provisions

Optional Redemption. The 2022A Bonds maturing on or before July 1, 20__ are not subject to redemption prior to maturity. The 2022A Bonds maturing on or after July 1, 20__ will be subject to redemption, at the option of the Authority, from any funds that may be available for such purpose, either in whole or in part on any date on or after July 1, 20__, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the manner provided in the Second Series Indenture.

Mandatory Sinking Fund Redemption. The 2022A Bonds maturing on July 1, 20__, are subject to mandatory sinking fund redemption, at a redemption price equal to the principal amount to be redeemed plus accrued interest, if any, to the redemption date, without premium, on July 1, in the years and amounts as follows:

<u>Year</u>	<u>Amount</u>
-------------	---------------

(final maturity)

[Form of Supplemental Opinion of Bond Counsel]

[May __], 2022

Raymond James & Associates, Inc.,
as representative of the Underwriters
Richmond, Virginia

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2022A

Ladies and Gentlemen:

We have served as bond counsel to the Greater Asheville Regional Airport Authority (the “Authority”) in connection with the issuance of the above-referenced bonds (collectively, the “Bonds”). The Bonds are being purchased today by Raymond James & Associates, Inc., on behalf of itself and as representative of _____ (collectively, the “Underwriters”), pursuant to a Bond Purchase Agreement, dated May [19], 2022 (the “Bond Purchase Agreement”), among the Local Government Commission (the “LGC”), the Authority and the Underwriters. Capitalized terms used herein and not otherwise defined have the meaning given such terms in the Bond Purchase Agreement.

On the basis of such examination as we have deemed necessary for the purpose of expressing the opinions set forth below, we are of the opinion, as of the date hereof and under existing law, that:

1. The LGC is validly existing as a division of the Department of the State Treasurer of the State of North Carolina.

2. The LGC has power and authority to approve the issuance of the Bonds and to sell the same as provided in the Bond Purchase Agreement, and the LGC has taken all action required in connection therewith.

3. The adoption by the LGC of the resolution approving the issuance and sale of the Bonds and authorizing the execution and delivery of the Bond Purchase Agreement (the “LGC Resolution”), the approval by the LGC of the issuance and sale of the Bonds and the execution and delivery by the LGC of the Bond Purchase Agreement and compliance with the provisions thereof, under the circumstances contemplated thereby, (a) to the best of our knowledge after due inquiry, do not and will not in any material respect conflict with or constitute on the part of the LGC a breach of or default under any agreement or other instrument to which the LGC is a party, which would affect the validity or delivery of the Bonds and (b) do not and will not conflict with, violate or result in a breach of any federal or North Carolina constitutional or statutory provision, which would affect the validity or delivery of the Bonds.

4. No further consent, authorization or order of any governmental or regulatory authority of the State is required to be obtained as a condition precedent for the LGC to sell the Bonds or for the execution and delivery by the LGC or the Authority of the Bond Purchase Agreement, except that we

express no opinion as to any regulatory requirement applicable to the Underwriters or any action required under state securities or blue sky laws in connection with the offering and sale of the Bonds by the Underwriters.

5. The Bond Purchase Agreement has been authorized, executed and delivered by the LGC and the Authority and, assuming due authorization, execution and delivery thereof by the Underwriters, is a legal, valid and binding agreement of the LGC and the Authority enforceable against the LGC and the Authority in accordance with its terms, except that the enforceability thereof may be limited by bankruptcy, insolvency, fraudulent conveyance, moratorium or other similar laws affecting creditors' rights generally from time to time in effect and by general equitable principles. We note, however, that the covenants of the Authority in the Bond Purchase Agreement relating to indemnification and contribution are given to the extent permitted by law, and we express no opinion with respect to whether such covenants are permitted by law.

6. The Authority has duly adopted a bond order authorizing the issuance of the Bonds.

7. All authorizations, approvals, consents or orders of any governmental entity or any other person, association or corporation required for the valid issuance of the Bonds, the execution or delivery by the Authority of the Bond Purchase Agreement and the Indentures (collectively, the "Bond Documents") and any other transactions and undertakings effected or contemplated thereby, including, without limitation, the Continuing Disclosure Undertaking, have been obtained, except that we express no opinion as to any action required under state securities or blue sky laws in connection with the offering and sale of the Bonds by the Underwriters.

8. The issuance of the Bonds, the execution and delivery of the Bond Documents and compliance with the provisions of each will not conflict with or constitute a violation or breach of or default under any applicable law, rule or regulation of the United States or of the State of North Carolina or of any department, division, agency or instrumentality thereof.

9. The LGC and the Authority have authorized, executed and delivered the Official Statement and have consented to the distribution (electronically or otherwise) of the Official Statement in connection with the offering and sale of the Bonds.

10. The statements contained (a) in the Preliminary Official Statement dated May [], 2022 (the "Preliminary Official Statement"), as of its date and as of the date of the Bond Purchase Agreement, under the headings "INTRODUCTION," "THE 2022A BONDS" (except for provisions related to the Book-Entry System) and "SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS," "THE PROJECT," "CONTINUING DISCLOSURE" and in APPENDICES C and E to the Preliminary Official Statement, insofar as such statements purport to summarize certain provisions of the Bonds and the Indentures or opinions we have rendered, fairly summarize such provisions or opinions, (b) in the Official Statement dated May [19], 2022 (the "Official Statement"), as of its date and as of the date hereof, under the headings "INTRODUCTION," "THE 2022A BONDS" (except for provisions related to the Book-Entry System) and "SECURITY AND SOURCES OF PAYMENT FOR THE 2022A BONDS," "THE PROJECT," "CONTINUING DISCLOSURE" and in APPENDICES C and E to the Official Statement, insofar as such statements purport to summarize certain provisions of the 2020 Bonds and the Indentures or opinions we have rendered, fairly summarize such provisions or opinions and (c) the statements in the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, and in the Official Statement, as of its date and as of the date hereof, under the heading "TAX TREATMENT" and the statements related thereto on the cover page of the Preliminary Official Statement and the Official Statement are true and accurate.

11. The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Indentures are exempt from qualification as indentures under the Trust Indenture Act of 1939, as amended.

This opinion is furnished by us for your sole benefit in connection with your offering and sale of the Bonds, and no other person or entity may rely upon this opinion without our prior written consent.

Respectfully submitted,

[Form of Opinion of Counsel to the Authority]

[May __], 2022

Raymond James & Associates, Inc.,
as representative of the Underwriters
Richmond, Virginia

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2022A

Ladies and Gentlemen:

We have served as counsel to the Greater Asheville Regional Airport Authority (the “Authority”) and have served in such capacity in connection with the execution and delivery on the date hereof of the above-referenced bonds (the “Bonds”). The Bonds are being purchased on the date hereof by Raymond James & Associates, Inc., on behalf of itself and as representative of _____ (collectively, the “Underwriters”), pursuant to a Bond Purchase Agreement, dated May [19], 2022 (the “Bond Purchase Agreement”), among the Local Government Commission (the “LGC”), the Authority and the Underwriters. Capitalized terms used herein and not otherwise defined have the meaning given such terms in the Bond Purchase Agreement.

On the basis of such examination as we have deemed necessary for the purpose of expressing the opinions set forth below, we are of the opinion, as of the date hereof and under existing law, that:

1. The Authority is a public body duly organized and validly existing under the Constitution and laws of the State of North Carolina.

2. The Authority is not in breach of or default under any applicable law or administrative regulation of the State of North Carolina or the United States or any applicable judgment or decree or administrative ruling or any agreement, resolution, certificate or other instrument to which the Authority is a party or is otherwise subject, which breach or default would in any way materially adversely affect the transactions contemplated by the Bond Documents, and no event has occurred and is continuing which with the passage of time or giving of notice, or both, would constitute such a breach of or default thereunder.

3. There is no action, suit, proceeding, inquiry or investigation at law or in equity before any court, public board or body pending or threatened wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Bond Purchase Agreement or which, in any way, would adversely affect the validity of the Bond Documents, the Bonds or the exemption of interest on the Bonds from taxation as described in the Official Statement.

4. The issuance of the Bonds, the execution and delivery of the Bond Documents and compliance with the provisions of each will not, to the best of our knowledge after due inquiry, conflict

with or constitute a violation or breach of any applicable order, judgment or decree of any court or other governmental agency or body or any bond, note, loan agreement, resolution, certificate, agreement or other instrument to which the Authority is a party or by which the Authority or its property is bound.

5. The Authority has duly authorized and delivered the Preliminary Official Statement dated May [], 2022 (the “Preliminary Official Statement”) and has duly authorized, executed and delivered the Official Statement dated May [19], 2022 (the “Official Statement”) and has approved the use of the Preliminary Official Statement and the Official Statement in connection with the offering and sale of the Bonds.

6. The statements contained in the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, and the Official Statement, as of its date and as the date hereof, under the headings “THE AUTHORITY” and “LITIGATION” did not and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

We have furnished this opinion for your sole benefit in connection with your offering and sale of the Bonds, and no other person or entity may rely upon this opinion without our prior written consent.

Respectfully submitted,

[Form of Opinion of Counsel to the Underwriters]

[May __], 2022

Raymond James & Associates, Inc.,
as representative of the Underwriters
Richmond, Virginia

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2022A

Ladies and Gentlemen:

We have acted as underwriters' counsel to Raymond James & Associates, Inc., as representative (the "Representative") of the underwriters (the "Underwriters") under the Bond Purchase Agreement dated May [19], 2022 (the "Bond Purchase Agreement"), among the Local Government Commission (the "LGC"), the Greater Asheville Regional Airport Authority (the "Authority") and the Representative with respect to the above-referenced bonds (the "Bonds"). Each capitalized term used herein and not otherwise defined has the meaning ascribed to it in the Bond Purchase Agreement.

We have, as such counsel, reviewed originals or copies identified to our satisfaction of the Indentures, the Preliminary Official Statement dated May [__], 2022 with the respect to the Bonds (the "Preliminary Official Statement"), the Official Statement dated May [19], 2022 with respect to the Bonds (the "Official Statement"), the Bond Purchase Agreement, certificates of the Authority and others, the opinions referred to in Section 9(b) of the Bond Purchase Agreement and such other records, opinions and documents, and we have made such investigations of law as we have deemed appropriate as a basis for the conclusions hereinafter expressed.

In arriving at the conclusions hereinafter expressed, we are not expressing any opinion or view on, and are assuming and relying on, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

We are not passing on and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement and the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as your counsel, we met in conferences with your representatives and representatives of the Authority, counsel to the Authority, and Womble Bond Dickinson (US) LLP, as bond counsel, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. On the basis of our participation in the above-mentioned conferences, and in reliance thereon and on the records, documents, certificates and opinions referenced above, we advise you that, during the course of our representation of you as the

Underwriters on this matter, no information came to the attention of the attorneys in our firm rendering legal services in connection with such representation which caused us to believe that the Preliminary Official Statement, as of its date and as of the date of the Bond Purchase Agreement, or the Official Statement, as of its date and as of the date of this letter (except for the Appendices thereto, any financial statements, development plans, engineering, demographic, economic, and financial or statistical data and any statements of trends, forecasts, numbers, estimates and assumptions, and any expressions of opinion, including opinions as to the federal tax status of the Bonds, and information concerning The Depository Trust Company and its procedures contained in the Preliminary Official Statement or the Official Statement and its Appendices, as to each of which we express no opinion or view), contained or contain any untrue statement of a material fact or omitted or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Furthermore, we are of the opinion that in connection with the offering and sale of the Bonds, (i) the Continuing Disclosure Undertaking meets the requirements of Rule 15c2-12 of the Securities and Exchange Commission, (ii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and (iii) the Indentures need not be qualified under the Trust Indenture Act of 1939, as amended.

We are furnishing this letter to you pursuant to Section 9(b)(4) of the Bond Purchase Agreement solely for your benefit as Underwriters, and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any purpose or by any other person without our prior written consent in each such instance.

Very truly yours,

[Form of Issue Price Certificate]

\$ _____
Greater Asheville Regional Airport Authority
Airport System Revenue Bonds (AMT)
Series 2022A

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Raymond James & Associates, Inc., on behalf of itself and as representative (the “Representative”) of _____ (collectively, with the Representative, the “Underwriting Group”), hereby certifies as set forth below, based upon information available to the Representative, with respect to the sale and issuance of the above-captioned obligations (collectively, the “Bonds”).

1. **Sale of the General Rule Maturities.** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. **Initial Offering Price of the Hold-the-Offering-Price Maturities.**

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, each member of the Underwriting Group has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement and based on representations by the members of the Underwriting Group, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. **Defined Terms.**

(a) “General Rule Maturities” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) “Hold-the-Offering-Price Maturities” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) “Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (May [19], 2022), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “Issuer” means the Greater Asheville Regional Airport Authority.

(e) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” means any two or more persons who are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interest or profits interest of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(g) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is May [19], 2022.

(h) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Representative to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

4. **Disclaimer.** The representations set forth in this certificate are limited to factual matters only. In making the representation in subparagraph 2(b) above, the Representative has relied on (a) the agreement of each member of the Underwriting Group to comply with the Hold-the-Offering-Price Rule, as set forth in the Agreement Among Underwriters and any addenda thereto; (b) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-the-Offering-Price Rule, as set forth in a selling group agreement and the related pricing wires; and (c) in the event that a member of the Underwriting Group is a party to a third-party distribution agreement that was employed in connection with the sale of the Bonds, the agreement of each broker-dealer that is a party to such agreement to comply with the Hold-the-Offering-Price Rule, as set forth in the third-party distribution agreement and the related pricing wires. Each member of the Underwriting Group will be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering Price Rule and no member of the Underwriting Group will be liable for the failure of any other member of the Underwriting Group to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rules as applicable to the Bonds.

Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Womble Bond Dickinson (US) LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes and the preparation of the Internal Revenue Service Form 8038-G. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Representative is not engaged in the practice of law. Accordingly, the Representative makes no representation as to the legal sufficiency of the factual matters set forth herein.

RAYMOND JAMES & ASSOCIATES, INC.,
as Representative of the Underwriters

By: _____

Name: _____

Title: _____

Dated: [May __], 2022

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL
OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

Due (July 1)	Amount	Rate	Yield	Price	Type of Bond	10% Sold?
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General Rule Maturities: _____

Hold the Offering Price Rule Maturities: _____

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)



MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., Executive Director
DATE: April 8, 2022

ITEM DESCRIPTION – Information Section Item A

February, 2022 Traffic Report – Asheville Regional Airport

SUMMARY

February, 2022 overall passenger traffic numbers were up 107.6% compared to the same period last year. Passenger traffic numbers reflect a 107.3% increase in passenger enplanements from February, 2021. Enplanements for Fiscal Year to Date total 539,074, which is a 130.1% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in February 2022 were up by 92.2%. There were 5 flight cancellations for the month.

American Airlines: American's February 2022 passenger enplanements represent a 77.4% increase over the same period last year. There were 4 flight cancellations for the month.

Delta Airlines: Enplanements for Delta in February 2022 increased by 171.3%. There were no flight cancellations for the month.

United Airlines: In February 2022, United Airlines saw an increase in enplanements by 138.9% over the same period last year. There were 5 flight cancellations for the month.

Monthly Traffic Report

Asheville Regional Airport

February 2022



Category	Feb 2022	Feb 2021	Percentage Change	*CYTD-2022	*CYTD-2021	Percentage Change	*MOV12-2022	*MOV12-2021	Percentage Change
Passenger Traffic									
Enplaned	47,636	22,977	107.3%	89,556	45,635	96.2%	759,936	289,280	162.7%
Deplaned	<u>47,061</u>	<u>22,640</u>	107.9%	<u>87,513</u>	<u>43,612</u>	100.7%	<u>756,152</u>	<u>286,943</u>	163.5%
Total	94,697	45,617	107.6%	177,069	89,247	98.4%	1,516,088	576,223	163.1%
Aircraft Operations									
Airlines	961	844	13.9%	1,909	1,684	13.4%	14,328	9,122	57.1%
Commuter/ Air Taxi	<u>490</u>	<u>459</u>	6.8%	959	887	8.1%	12,660	6,846	84.9%
Subtotal	<u>1,451</u>	<u>1,303</u>	11.4%	<u>2,868</u>	<u>2,571</u>	11.6%	<u>26,988</u>	<u>15,968</u>	69.0%
General Aviation	2,921	2,079	40.5%	5,907	4,556	29.7%	45,996	36,931	24.5%
Military	<u>322</u>	<u>117</u>	175.2%	<u>783</u>	<u>351</u>	123.1%	<u>4,834</u>	<u>2,422</u>	99.6%
Subtotal	<u>3,243</u>	<u>2,196</u>	47.7%	<u>6,690</u>	<u>4,907</u>	36.3%	<u>50,830</u>	<u>39,353</u>	29.2%
Total	4,694	3,499	34.2%	9,558	7,478	27.8%	77,818	55,321	40.7%
Fuel Gallons									
100LL	15,057	8,136	85.1%	22,692	16,231	39.8%	189,971	143,107	32.7%
Jet A (GA)	73,342	74,902	-2.1%	170,476	119,582	42.6%	1,903,896	1,224,637	55.5%
Subtotal	<u>88,399</u>	<u>83,038</u>	6.5%	<u>193,168</u>	<u>135,813</u>	42.2%	<u>2,093,867</u>	<u>1,367,744</u>	53.1%
Jet A (A/L)	<u>486,775</u>	<u>448,446</u>	8.5%	<u>912,033</u>	<u>927,114</u>	-1.6%	<u>7,903,850</u>	<u>3,995,945</u>	97.8%
Total	575,174	531,484	8.2%	1,105,201	1,062,927	4.0%	9,997,717	5,363,689	86.4%

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

Friday, March 25, 2022

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

February 2022



	Feb 2022	Feb 2021	Percentage Change	*CYTD-2022	*CYTD-2021	Percentage Change
Allegiant Air						
Enplanements	23,650	12,302	92.2%	43,301	23,137	87.2%
Seats	32,481	26,802	21.2%	63,423	44,397	42.9%
Load Factor	72.8%	45.9%	58.6%	68.3%	52.1%	31.0%
American Airlines						
Enplanements	10,379	5,850	77.4%	20,427	12,089	69.0%
Seats	14,219	12,740	11.6%	28,961	26,904	7.6%
Load Factor	73.0%	45.9%	59.0%	70.5%	44.9%	57.0%
Delta Air Lines						
Enplanements	9,710	3,579	171.3%	18,819	7,813	140.9%
Seats	13,860	8,822	57.1%	27,710	18,836	47.1%
Load Factor	70.1%	40.6%	72.7%	67.9%	41.5%	63.7%
Sun Country						
Enplanements	920	0	#Div/0!	1,590	0	#Div/0!
Seats	1,488	0	#Div/0!	2,790	0	#Div/0!
Load Factor	61.8%	#Num!	#Type!	57.0%	#Num!	#Type!
United Airlines						
Enplanements	2,977	1,246	138.9%	5,419	2,596	108.7%
Seats	3,870	3,300	17.3%	7,570	7,150	5.9%
Load Factor	76.9%	37.8%	103.7%	71.6%	36.3%	97.2%
Totals						
Enplanements	47,636	22,977	107.3%	89,556	45,635	96.2%
Seats	65,918	51,664	27.6%	130,454	97,287	34.1%
Load Factor	72.3%	44.5%	62.5%	68.6%	46.9%	46.4%

Friday, March 25, 2022

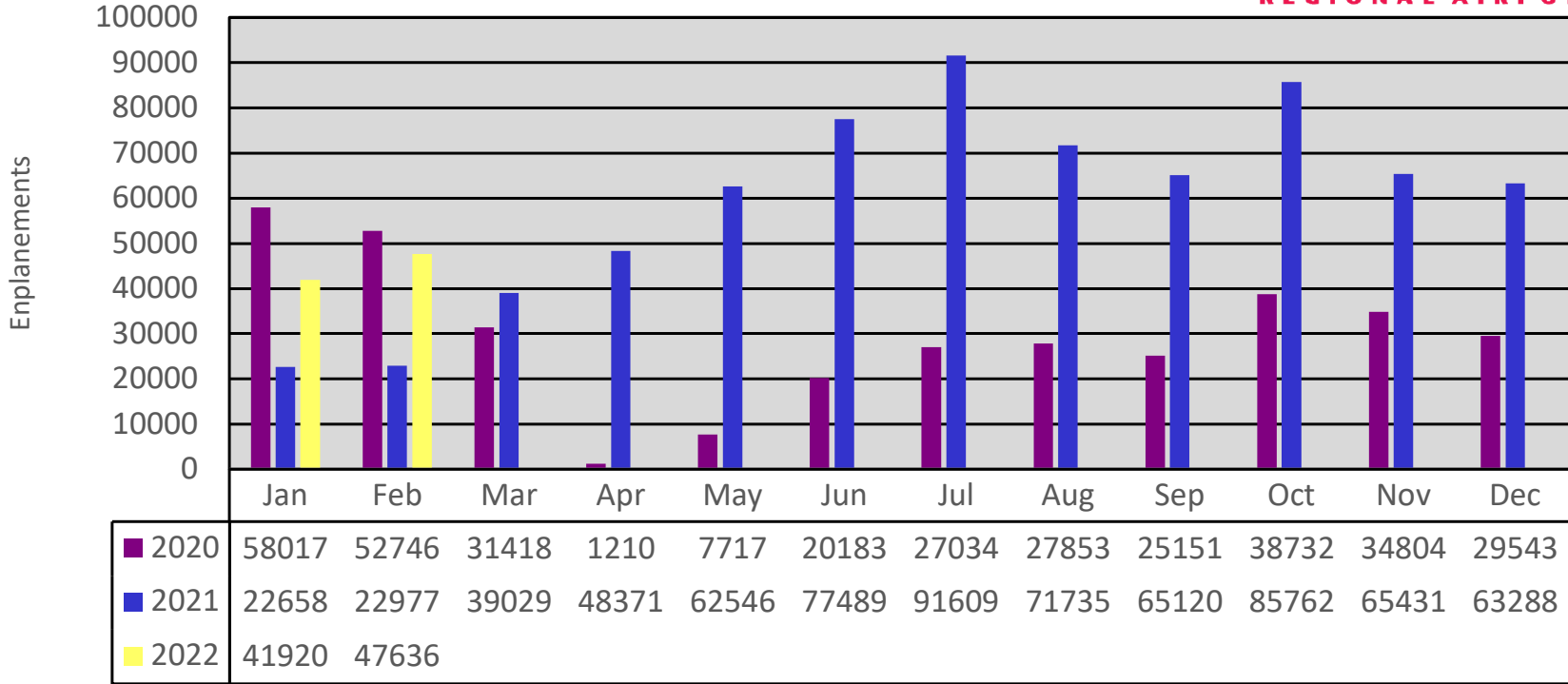
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Airline Flight Completions Asheville Regional Airport February 2022

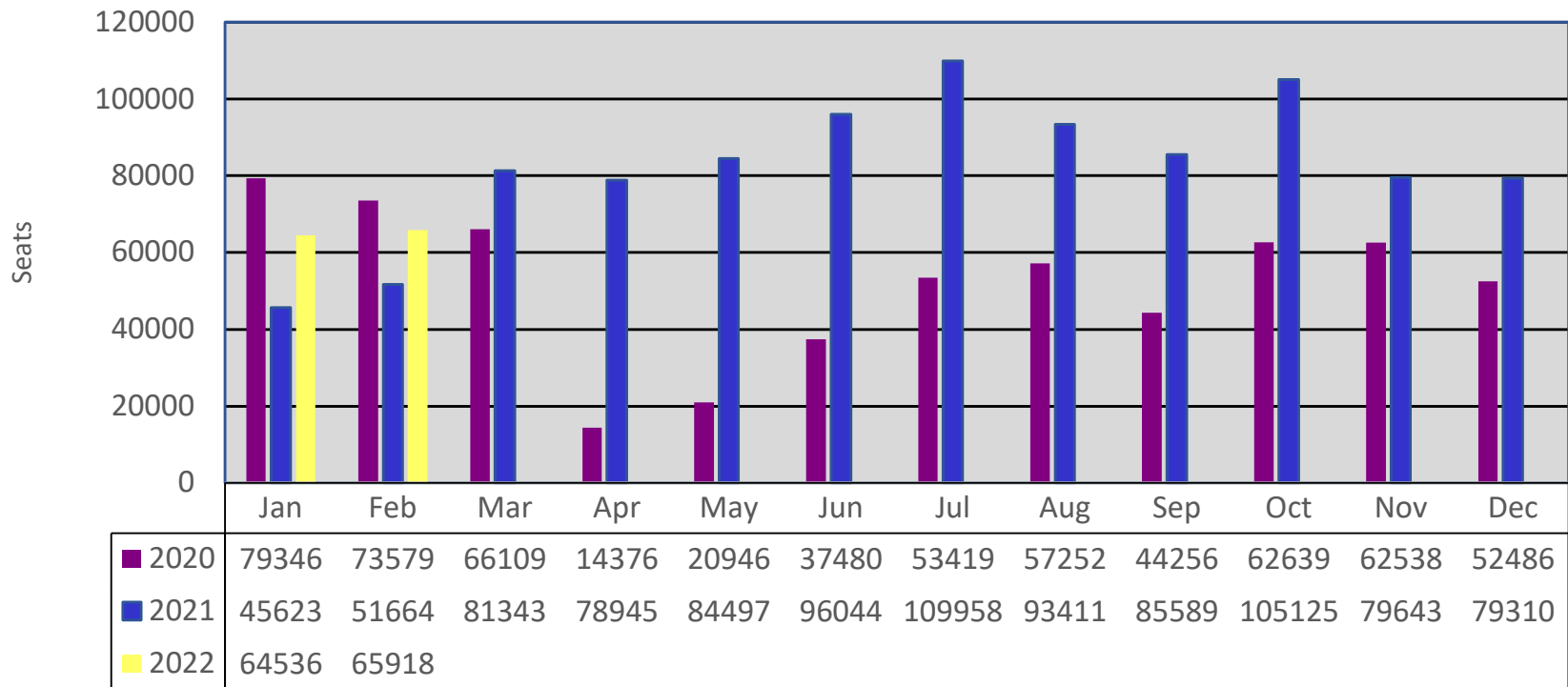


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed Flights
			Mechanical	Weather	Other		
Allegiant Air	197	0	0	5	0	5	97.5%
American Airlines	195	0	0	4	0	4	97.9%
Delta Air Lines	126	0	0	0	0	0	100.0%
Sun Country	8	0	0	0	0	0	100.0%
United Airlines	82	0	5	0	0	5	93.9%
Total	608	0	5	9	0	14	97.7%

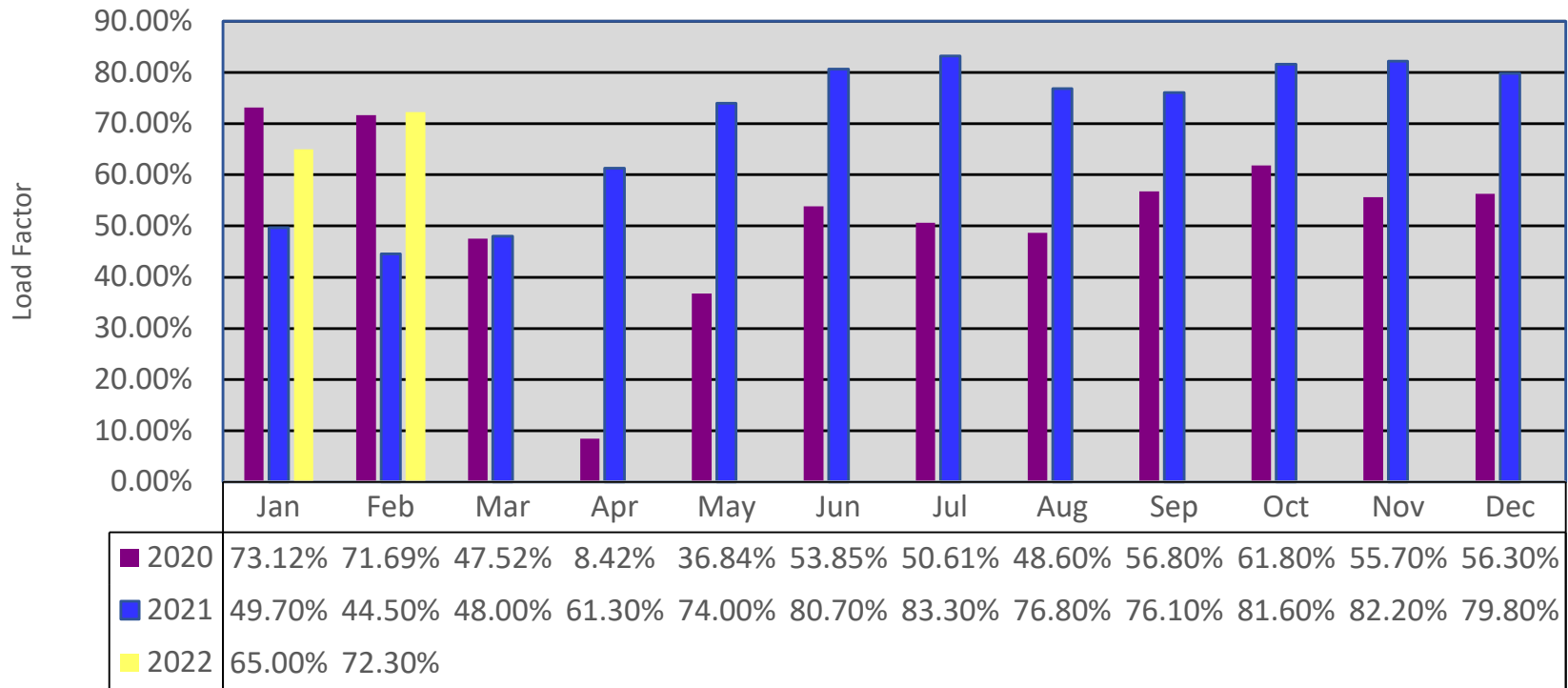
Monthly Enplanements By Year Asheville Regional Airport



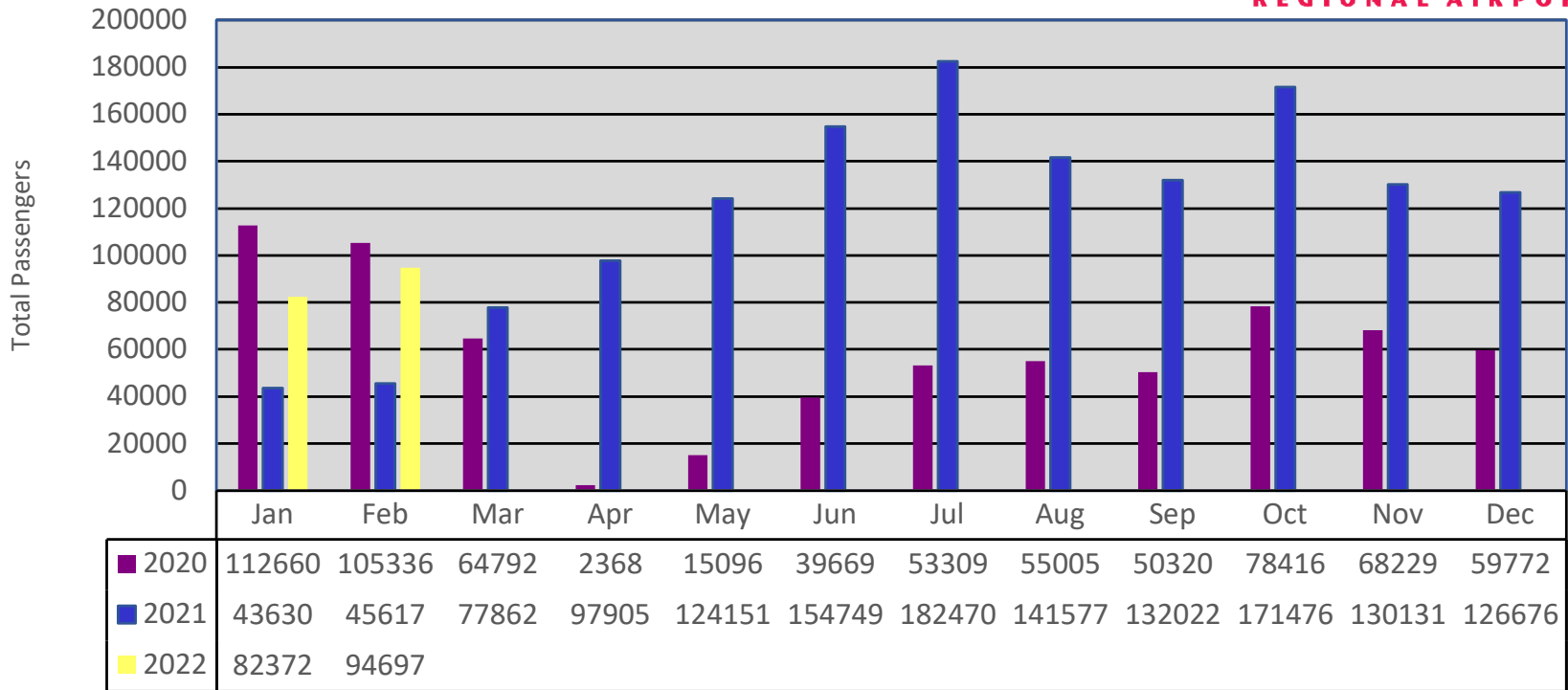
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

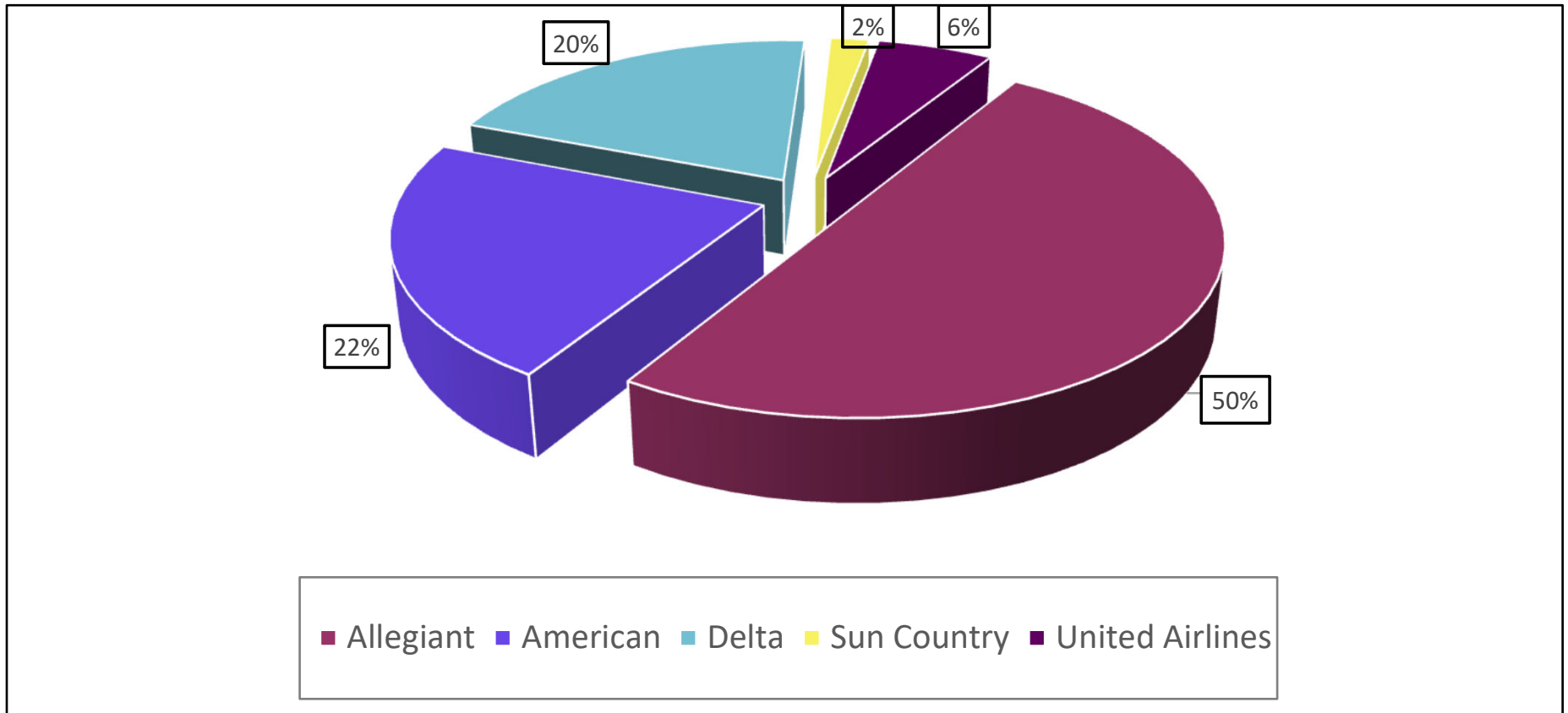


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From February 2022 Through February 2022



AVL - Three month schedule Summary Report
 May 2022 to July 2022 vs. May 2021 to July 2021 vs. May 2020 to July 2020
 28-Mar-22

Mkt AI	Travel Period		May 2022		May 2021		May 2020		Diff YoY		Percent Diff YoY		Diff 2YoY		Percent Diff 2YoY	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AVL-BOS	AVL BOS	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	BOS-AVL	BOS AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-CLT	AVL CLT	50	3,575	47	3,286	21	1,596	3	289	6.4%	8.8%	29	1,979	138.1%	124.0%
AA	CLT-AVL	CLT AVL	50	3,575	47	3,286	21	1,596	3	289	6.4%	8.8%	29	1,979	138.1%	124.0%
AA	AVL-DCA	AVL DCA	7	532	1	65	0	0	6	467	600.0%	718.5%	7	532	-	-
AA	DCA-AVL	DCA AVL	7	532	1	65	0	0	6	467	600.0%	718.5%	7	532	-	-
AA	AVL-DFW	AVL DFW	14	987	14	1,064	7	532	0	(77)	0.0%	(7.2%)	7	455	100.0%	85.5%
AA	DFW-AVL	DFW AVL	14	987	14	1,064	7	532	0	(77)	0.0%	(7.2%)	7	455	100.0%	85.5%
AA	AVL-LGA	AVL LGA	0	0	1	65	0	0	(1)	(65)	(100.0%)	(100.0%)	0	0	-	-
AA	LGA-AVL	LGA AVL	0	0	1	65	0	0	(1)	(65)	(100.0%)	(100.0%)	0	0	-	-
AA	AVL-ORD	AVL ORD	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	ORD-AVL	ORD AVL	0	0	0	0	0	0	0	0	-	-	0	0	-	-
AA	AVL-PHL	AVL PHL	0	0	6	300	0	0	(6)	(300)	(100.0%)	(100.0%)	0	0	-	-
AA	PHL-AVL	PHL AVL	0	0	6	300	0	0	(6)	(300)	(100.0%)	(100.0%)	0	0	-	-
DL	ATL-AVL	ATL AVL	32	3,520	48	3,310	7	532	(16)	210	(33.3%)	6.3%	25	2,988	357.1%	561.7%
DL	AVL-ATL	AVL ATL	32	3,520	48	3,310	7	532	(16)	210	(33.3%)	6.3%	25	2,988	357.1%	561.7%
DL	AVL-LGA	AVL LGA	13	988	7	490	0	0	6	498	85.7%	101.6%	13	988	-	-
DL	LGA-AVL	LGA AVL	13	988	7	490	0	0	6	498	85.7%	101.6%	13	988	-	-
DL	AVL-MSP	AVL MSP	1	110	0	0	0	0	1	110	-	-	1	110	-	-
DL	MSP-AVL	MSP AVL	1	110	0	0	0	0	1	110	-	-	1	110	-	-
G4	AUS-AVL	AUS AVL	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	AVL-AUS	AVL AUS	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	AVL-BOS	AVL BOS	2	333	2	354	0	0	0	(21)	0.0%	(5.9%)	2	333	-	-
G4	BOS-AVL	BOS AVL	2	333	2	354	0	0	0	(21)	0.0%	(5.9%)	2	333	-	-
G4	AVL-BWI	AVL BWI	2	354	2	354	2	372	0	0	0.0%	0.0%	0	(18)	0.0%	(4.8%)
G4	BWI-AVL	BWI AVL	2	354	2	354	2	372	0	0	0.0%	0.0%	0	(18)	0.0%	(4.8%)
G4	AVL-DEN	AVL DEN	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	DEN-AVL	DEN AVL	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	AVL-EWR	AVL EWR	4	708	2	354	2	354	2	354	100.0%	100.0%	2	354	100.0%	100.0%
G4	EWR-AVL	EWR AVL	4	708	2	354	2	354	2	354	100.0%	100.0%	2	354	100.0%	100.0%
G4	AVL-EYW	AVL EYW	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	EYW-AVL	EYW AVL	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	AVL-FLL	AVL FLL	12	2,019	12	2,124	5	885	0	(105)	0.0%	(4.9%)	7	1,134	140.0%	128.1%
G4	FLL-AVL	FLL AVL	12	2,019	12	2,124	5	885	0	(105)	0.0%	(4.9%)	7	1,134	140.0%	128.1%
G4	AVL-HOU	AVL HOU	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	HOU-AVL	HOU AVL	2	354	2	354	0	0	0	0	0.0%	0.0%	2	354	-	-
G4	AVL-LAS	AVL LAS	2	372	2	354	0	0	0	18	0.0%	5.1%	2	372	-	-
G4	LAS-AVL	LAS AVL	2	372	2	354	0	0	0	18	0.0%	5.1%	2	372	-	-
G4	AVL-MDW	AVL MDW	2	333	2	354	0	0	0	(21)	0.0%	(5.9%)	2	333	-	-
G4	MDW-AVL	MDW AVL	2	333	2	354	0	0	0	(21)	0.0%	(5.9%)	2	333	-	-
G4	AVL-MSP	AVL MSP	2	333	0	0	0	0	2	333	-	-	2	333	-	-
G4	MSP-AVL	MSP AVL	2	333	0	0	0	0	2	333	-	-	2	333	-	-
G4	AVL-PBI	AVL PBI	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	PBI-AVL	PBI AVL	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	AVL-PGD	AVL PGD	4	696	2	354	2	333	2	342	100.0%	96.6%	2	363	100.0%	109.0%
G4	PGD-AVL	PGD AVL	4	696	2	354	2	333	2	342	100.0%	96.6%	2	363	100.0%	109.0%
G4	AVL-PIE	AVL PIE	7	1,266	6	1,116	4	726	1	150	16.7%	13.4%	3	540	75.0%	74.4%
G4	PIE-AVL	PIE AVL	7	1,266	6	1,116	4	726	1	150	16.7%	13.4%	3	540	75.0%	74.4%
G4	AVL-SFB	AVL SFB	7	1,248	8	1,374	4	687	(1)	(126)	(12.5%)	(9.2%)	3	561	75.0%	81.7%
G4	SFB-AVL	SFB AVL	7	1,248	8	1,374	4	687	(1)	(126)	(12.5%)	(9.2%)	3	561	75.0%	81.7%
G4	AVL-SRQ	AVL SRQ	2	333	2	354	2	354	0	(21)	0.0%	(5.9%)	0	(21)	0.0%	(5.9%)
G4	SRQ-AVL	SRQ AVL	2	333	2	354	2	354	0	(21)	0.0%	(5.9%)	0	(21)	0.0%	(5.9%)
G4	AVL-VPS	AVL VPS	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	VPS-AVL	VPS AVL	2	312	0	0	0	0	2	312	-	-	2	312	-	-
NK	AVL-GSO	AVL GSO	0	0	0	0	3	435	0	0	-	-	(3)	(435)	(100.0%)	(100.0%)
NK	AVL-MCO	AVL MCO	0	0	0	0	0	0	0	0	-	-	0	0	-	-
NK	MCO-AVL	MCO AVL	0	0	0	0	3	435	0	0	-	-	(3)	(435)	(100.0%)	(100.0%)
SY	AVL-MSP	AVL MSP	2	372	0	0	0	0	2	372	-	-	2	372	-	-
SY	MSP-AVL	MSP AVL	2	372	0	0	0	0	2	372	-	-	2	372	-	-
UA	AVL-EWR	AVL EWR	7	350	0	0	0	0	7	350	-	-	7	350	-	-
UA	EWR-AVL	EWR AVL	7	350	0	0	0	0	7	350	-	-	7	350	-	-
UA	AVL-IAD	AVL IAD	0	0	12	600	7	350	(12)	(600)	(100.0%)	(100.0%)	(7)	(350)	(100.0%)	(100.0%)
UA	IAD-AVL	IAD AVL	0	0	12	600	7	350	(12)	(600)	(100.0%)	(100.0%)	(7)	(350)	(100.0%)	(100.0%)
UA	AVL-ORD	AVL ORD	14	700	13	650	0	0	1	50	7.7%	7.7%	14	700	-	-
UA	ORD-AVL	ORD AVL	14	700	13	650	0	0	1	50	7.7%	7.7%	14	700	-	-
Total			396	42,254	394	36,676	136	15,020	2	5,578	0.5%	15.2%	260	27,234	191.2%	181.3%

Mkt Al	Travel Period		Jun 2022		Jun 2021		Jun 2020		Diff YoY		Percent Diff YoY		Diff 2YoY		Percent Diff 2YoY	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AUS-AVL	AUS AVL	1	76	0	0	0	0	1	76	-	-	1	76	-	-
AA	AVL-AUS	AVL AUS	1	76	0	0	0	0	1	76	-	-	1	76	-	-
AA	AVL-BOS	AVL BOS	1	76	1	76	0	0	0	0	0.0%	0.0%	1	76	-	-
AA	BOS-AVL	BOS AVL	1	76	1	76	0	0	0	0	0.0%	0.0%	1	76	-	-
AA	AVL-CLT	AVL CLT	56	4,179	48	3,040	21	1,596	8	1,139	16.7%	37.5%	35	2,583	167%	162%
AA	CLT-AVL	CLT AVL	56	4,179	48	3,040	21	1,596	8	1,139	16.7%	37.5%	35	2,583	167%	162%
AA	AVL-DCA	AVL DCA	9	684	7	532	0	0	2	152	28.6%	28.6%	9	684	-	-
AA	DCA-AVL	DCA AVL	9	684	7	532	0	0	2	152	28.6%	28.6%	9	684	-	-
AA	AVL-DFW	AVL DFW	15	1,140	21	1,596	7	532	(6)	(456)	(28.6%)	(28.6%)	8	608	114%	114%
AA	DFW-AVL	DFW AVL	15	1,140	21	1,596	7	532	(6)	(456)	(28.6%)	(28.6%)	8	608	114%	114%
AA	AVL-LGA	AVL LGA	1	76	1	65	0	0	0	11	0.0%	16.9%	1	76	-	-
AA	LGA-AVL	LGA AVL	1	76	1	65	0	0	0	11	0.0%	16.9%	1	76	-	-
AA	AVL-MIA	AVL MIA	7	532	0	0	0	0	7	532	-	-	7	532	-	-
AA	MIA-AVL	MIA AVL	7	532	0	0	0	0	7	532	-	-	7	532	-	-
AA	AVL-ORD	AVL ORD	7	455	7	455	0	0	0	0	0.0%	0.0%	7	455	-	-
AA	ORD-AVL	ORD AVL	7	455	7	455	0	0	0	0	0.0%	0.0%	7	455	-	-
AA	AVL-PHL	AVL PHL	7	455	13	691	5	380	(6)	(236)	(46.2%)	(34.2%)	2	75	40%	20%
AA	PHL-AVL	PHL AVL	7	455	13	691	5	380	(6)	(236)	(46.2%)	(34.2%)	2	75	40%	20%
B6	AVL-BOS	AVL BOS	4	400	0	0	0	0	4	400	-	-	4	400	-	-
B6	BOS-AVL	BOS AVL	4	400	0	0	0	0	4	400	-	-	4	400	-	-
DL	ATL-AVL	ATL AVL	42	4,620	43	3,178	7	532	(1)	1,442	(2.3%)	45.4%	35	4,088	500%	768%
DL	AVL-ATL	AVL ATL	42	4,620	43	3,178	7	532	(1)	1,442	(2.3%)	45.4%	35	4,088	500%	768%
DL	AVL-LGA	AVL LGA	14	1,022	7	532	0	0	7	490	100.0%	92.1%	14	1,022	-	-
DL	LGA-AVL	LGA AVL	14	1,022	7	532	0	0	7	490	100.0%	92.1%	14	1,022	-	-
DL	AVL-MSP	AVL MSP	1	132	0	0	0	0	1	132	-	-	1	132	-	-
DL	MSP-AVL	MSP AVL	1	132	0	0	0	0	1	132	-	-	1	132	-	-
G4	AUS-AVL	AUS AVL	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	AVL-AUS	AVL AUS	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	AVL-BOS	AVL BOS	4	708	2	354	0	0	2	354	100.0%	100.0%	4	708	-	-
G4	BOS-AVL	BOS AVL	4	708	2	354	0	0	2	354	100.0%	100.0%	4	708	-	-
G4	AVL-BWI	AVL BWI	3	531	2	354	2	372	1	177	50.0%	50.0%	1	159	50.0%	42.7%
G4	BWI-AVL	BWI AVL	3	531	2	354	2	372	1	177	50.0%	50.0%	1	159	50.0%	42.7%
G4	AVL-DEN	AVL DEN	4	687	2	354	2	354	2	333	100.0%	94.1%	2	333	100.0%	94.1%
G4	DEN-AVL	DEN AVL	4	687	2	354	2	354	2	333	100.0%	94.1%	2	333	100.0%	94.1%
G4	AVL-EWR	AVL EWR	4	645	3	531	3	531	1	114	33.3%	21.5%	1	114	33.3%	21.5%
G4	EWR-AVL	EWR AVL	4	645	3	531	3	531	1	114	33.3%	21.5%	1	114	33.3%	21.5%
G4	AVL-EYW	AVL EYW	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	EYW-AVL	EYW AVL	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	AVL-FLL	AVL FLL	12	1,998	13	2,355	5	885	(1)	(357)	(7.7%)	(15.2%)	7	1,113	140.0%	125.8%
G4	FLL-AVL	FLL AVL	12	1,998	13	2,355	5	885	(1)	(357)	(7.7%)	(15.2%)	7	1,113	140.0%	125.8%
G4	AVL-HOU	AVL HOU	2	312	2	354	2	354	0	(42)	0.0%	(11.9%)	0	(42)	0.0%	(11.9%)
G4	HOU-AVL	HOU AVL	2	312	2	354	2	354	0	(42)	0.0%	(11.9%)	0	(42)	0.0%	(11.9%)
G4	AVL-LAS	AVL LAS	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	LAS-AVL	LAS AVL	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	AVL-MDW	AVL MDW	2	312	2	354	2	354	0	(42)	0.0%	(11.9%)	0	(42)	0.0%	(11.9%)
G4	MDW-AVL	MDW AVL	2	312	2	354	2	354	0	(42)	0.0%	(11.9%)	0	(42)	0.0%	(11.9%)
G4	AVL-MSP	AVL MSP	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	MSP-AVL	MSP AVL	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	AVL-PBI	AVL PBI	3	510	2	354	2	354	1	156	50.0%	44.1%	1	156	50.0%	44.1%
G4	PBI-AVL	PBI AVL	3	510	2	354	2	354	1	156	50.0%	44.1%	1	156	50.0%	44.1%
G4	AVL-PGD	AVL PGD	7	1,134	4	726	3	531	3	408	75.0%	56.2%	4	603	133.3%	113.6%
G4	PGD-AVL	PGD AVL	7	1,134	4	726	3	531	3	408	75.0%	56.2%	4	603	133.3%	113.6%
G4	AVL-PIE	AVL PIE	12	2,019	11	1,965	5	903	1	54	9.1%	2.7%	7	1,116	140.0%	123.6%
G4	PIE-AVL	PIE AVL	12	2,019	11	1,965	5	903	1	54	9.1%	2.7%	7	1,116	140.0%	123.6%
G4	AVL-SFB	AVL SFB	12	2,019	14	2,523	6	957	(2)	(504)	(14.3%)	(20.0%)	6	1,062	100.0%	111.0%
G4	SFB-AVL	SFB AVL	12	2,019	14	2,523	6	957	(2)	(504)	(14.3%)	(20.0%)	6	1,062	100.0%	111.0%
G4	AVL-SRQ	AVL SRQ	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	SRQ-AVL	SRQ AVL	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	AVL-VPS	AVL VPS	1	156	2	354	0	0	(1)	(198)	(50.0%)	(55.9%)	1	156	-	-
G4	VPS-AVL	VPS AVL	1	156	2	354	0	0	(1)	(198)	(50.0%)	(55.9%)	1	156	-	-
SY	AVL-MSP	AVL MSP	2	372	0	0	0	0	2	372	-	-	2	372	-	-
SY	MSP-AVL	MSP AVL	2	372	0	0	0	0	2	372	-	-	2	372	-	-
UA	AVL-EWR	AVL EWR	14	700	0	0	0	0	14	700	-	-	14	700	-	-
UA	EWR-AVL	EWR AVL	14	700	0	0	0	0	14	700	-	-	14	700	-	-
UA	AVL-IAD	AVL IAD	0	0	14	700	7	350	(14)	(700)	(100.0%)	(100.0%)	(7)	(350)	(100.0%)	(100.0%)
UA	IAD-AVL	IAD AVL	0	0	14	700	7	350	(14)	(700)	(100.0%)	(100.0%)	(7)	(350)	(100.0%)	(100.0%)
UA	AVL-ORD	AVL ORD	21	1,050	21	1,050	5	250	0	0	0.0%	0.0%	16	800	320.0%	320.0%
UA	ORD-AVL	ORD AVL	21	1,050	21	1,050	5	250	0	0	0.0%	0.0%	16	800	320.0%	320.0%
Total			556	57,372	496	47,110	176	19,886	60	10,262	12.1%	21.8%	380	37,486	215.9%	188.5%

Mkt AI	Travel Period		Jul 2022		Jul 2021		Jul 2020		Diff YoY		Percent Diff YoY		Diff 2YoY		Percent Diff 2YoY	
	Orig	Dest	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
AA	AUS-AVL	AUS AVL	1	76	0	0	0	0	1	76	-	-	1	76	-	-
AA	AVL-AUS	AVL AUS	1	76	0	0	0	0	1	76	-	-	1	76	-	-
AA	AVL-BOS	AVL BOS	1	76	1	76	0	0	0	0	0.0%	0.0%	1	76	-	-
AA	BOS-AVL	BOS AVL	1	76	1	76	0	0	0	0	0.0%	0.0%	1	76	-	-
AA	AVL-CLT	AVL CLT	47	3,558	48	2,959	31	2,356	(1)	599	(2.1%)	20.2%	16	1,202	51.6%	51.0%
AA	CLT-AVL	CLT AVL	47	3,558	48	2,959	31	2,356	(1)	599	(2.1%)	20.2%	16	1,202	51.6%	51.0%
AA	AVL-DCA	AVL DCA	9	684	7	532	0	0	2	152	28.6%	28.6%	9	684	-	-
AA	DCA-AVL	DCA AVL	9	684	7	532	0	0	2	152	28.6%	28.6%	9	684	-	-
AA	AVL-DFW	AVL DFW	15	1,140	21	1,596	7	532	(6)	(456)	(28.6%)	(28.6%)	8	608	114.3%	114.3%
AA	DFW-AVL	DFW AVL	15	1,140	21	1,596	7	532	(6)	(456)	(28.6%)	(28.6%)	8	608	114.3%	114.3%
AA	AVL-LGA	AVL LGA	1	76	7	521	0	0	(6)	(445)	(85.7%)	(85.4%)	1	76	-	-
AA	LGA-AVL	LGA AVL	1	76	7	521	0	0	(6)	(445)	(85.7%)	(85.4%)	1	76	-	-
AA	AVL-MIA	AVL MIA	7	532	0	0	0	0	7	532	-	-	7	532	-	-
AA	MIA-AVL	MIA AVL	7	532	0	0	0	0	7	532	-	-	7	532	-	-
AA	AVL-ORD	AVL ORD	7	455	7	455	1	65	0	0	0.0%	0.0%	6	390	600.0%	600.0%
AA	ORD-AVL	ORD AVL	7	455	7	455	1	65	0	0	0.0%	0.0%	6	390	600.0%	600.0%
AA	AVL-PHL	AVL PHL	7	455	13	676	7	455	(6)	(221)	(46.2%)	(32.7%)	0	0	0.0%	0.0%
AA	PHL-AVL	PHL AVL	7	455	13	676	7	455	(6)	(221)	(46.2%)	(32.7%)	0	0	0.0%	0.0%
B6	AVL-BOS	AVL BOS	7	700	0	0	0	0	7	700	-	-	7	700	-	-
B6	BOS-AVL	BOS AVL	7	700	0	0	0	0	7	700	-	-	7	700	-	-
DL	ATL-AVL	ATL AVL	42	4,620	37	3,356	28	2,128	5	1,264	13.5%	37.7%	14	2,492	50.0%	117.1%
DL	AVL-ATL	AVL ATL	42	4,620	37	3,356	28	2,128	5	1,264	13.5%	37.7%	14	2,492	50.0%	117.1%
DL	AVL-LGA	AVL LGA	14	1,022	5	380	0	0	9	642	180.0%	168.9%	14	1,022	-	-
DL	LGA-AVL	LGA AVL	14	1,022	5	380	0	0	9	642	180.0%	168.9%	14	1,022	-	-
DL	AVL-MSP	AVL MSP	1	132	0	0	0	0	1	132	-	-	1	132	-	-
DL	MSP-AVL	MSP AVL	1	132	0	0	0	0	1	132	-	-	1	132	-	-
G4	AUS-AVL	AUS AVL	2	333	2	354	2	354	0	(21)	0.0%	(5.9%)	0	(21)	0.0%	(5.9%)
G4	AVL-AUS	AVL AUS	2	333	2	354	2	354	0	(21)	0.0%	(5.9%)	0	(21)	0.0%	(5.9%)
G4	AVL-BOS	AVL BOS	4	666	2	354	0	0	2	312	100.0%	88.1%	4	666	-	-
G4	BOS-AVL	BOS AVL	4	666	2	354	0	0	2	312	100.0%	88.1%	4	666	-	-
G4	AVL-BWI	AVL BWI	3	531	2	354	2	372	1	177	50.0%	50.0%	1	159	50.0%	42.7%
G4	BWI-AVL	BWI AVL	3	531	2	354	2	372	1	177	50.0%	50.0%	1	159	50.0%	42.7%
G4	AVL-DEN	AVL DEN	4	687	2	354	2	354	2	333	100.0%	94.1%	2	333	100.0%	94.1%
G4	DEN-AVL	DEN AVL	4	687	2	354	2	354	2	333	100.0%	94.1%	2	333	100.0%	94.1%
G4	AVL-EWR	AVL EWR	5	801	4	708	2	354	1	93	25.0%	13.1%	3	447	150.0%	126.3%
G4	EWR-AVL	EWR AVL	5	801	4	708	2	354	1	93	25.0%	13.1%	3	447	150.0%	126.3%
G4	AVL-EYW	AVL EYW	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	EYW-AVL	EYW AVL	2	312	0	0	0	0	2	312	-	-	2	312	-	-
G4	AVL-FLL	AVL FLL	12	1,977	13	2,356	6	1,062	(1)	(378)	(7.7%)	(16.1%)	6	915	100.0%	86.2%
G4	FLL-AVL	FLL AVL	12	1,977	13	2,356	6	1,062	(1)	(378)	(7.7%)	(16.1%)	6	915	100.0%	86.2%
G4	AVL-HOU	AVL HOU	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	HOU-AVL	HOU AVL	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	AVL-LAS	AVL LAS	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	LAS-AVL	LAS AVL	2	312	2	354	0	0	0	(42)	0.0%	(11.9%)	2	312	-	-
G4	AVL-MDW	AVL MDW	2	333	2	354	2	354	0	(21)	0.0%	(5.9%)	0	(21)	0.0%	(5.9%)
G4	MDW-AVL	MDW AVL	2	333	2	354	2	354	0	(21)	0.0%	(5.9%)	0	(21)	0.0%	(5.9%)
G4	AVL-MSP	AVL MSP	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	MSP-AVL	MSP AVL	2	354	0	0	0	0	2	354	-	-	2	354	-	-
G4	AVL-PBI	AVL PBI	3	510	2	354	2	354	1	156	50.0%	44.1%	1	156	50.0%	44.1%
G4	PBI-AVL	PBI AVL	3	510	2	354	2	354	1	156	50.0%	44.1%	1	156	50.0%	44.1%
G4	AVL-PGD	AVL PGD	7	1,197	4	726	4	717	3	471	75.0%	64.9%	3	480	75.0%	66.9%
G4	PGD-AVL	PGD AVL	7	1,197	4	726	4	717	3	471	75.0%	64.9%	3	480	75.0%	66.9%
G4	AVL-PIE	AVL PIE	12	1,914	11	1,947	6	1,080	1	(33)	9.1%	(1.7%)	6	834	100.0%	77.2%
G4	PIE-AVL	PIE AVL	12	1,914	11	1,947	6	1,080	1	(33)	9.1%	(1.7%)	6	834	100.0%	77.2%
G4	AVL-SFB	AVL SFB	12	2,103	14	2,523	5	903	(2)	(420)	(14.3%)	(16.6%)	7	1,200	140.0%	132.9%
G4	SFB-AVL	SFB AVL	12	2,103	14	2,523	5	903	(2)	(420)	(14.3%)	(16.6%)	7	1,200	140.0%	132.9%
G4	AVL-SRQ	AVL SRQ	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	SRQ-AVL	SRQ AVL	2	354	2	354	2	354	0	0	0.0%	0.0%	0	0	0.0%	0.0%
G4	AVL-VPS	AVL VPS	1	156	2	354	0	0	(1)	(198)	(50.0%)	(55.9%)	1	156	-	-
G4	VPS-AVL	VPS AVL	1	156	2	354	0	0	(1)	(198)	(50.0%)	(55.9%)	1	156	-	-
SY	AVL-MSP	AVL MSP	2	372	0	0	0	0	2	372	-	-	2	372	-	-
SY	MSP-AVL	MSP AVL	2	372	0	0	0	0	2	372	-	-	2	372	-	-
UA	AVL-EWR	AVL EWR	14	980	7	350	0	0	7	630	100.0%	180.0%	14	980	-	-
UA	EWR-AVL	EWR AVL	14	980	7	350	0	0	7	630	100.0%	180.0%	14	980	-	-
UA	AVL-IAD	AVL IAD	0	0	21	1,050	14	700	(21)	(1,050)	(100.0%)	(100.0%)	(14)	(700)	(100.0%)	(100.0%)
UA	IAD-AVL	IAD AVL	0	0	21	1,050	14	700	(21)	(1,050)	(100.0%)	(100.0%)	(14)	(700)	(100.0%)	(100.0%)
UA	AVL-ORD	AVL ORD	21	1,050	28	1,400	7	350	(7)	(350)	(25.0%)	(25.0%)	14	700	200.0%	200.0%
UA	ORD-AVL	ORD AVL	21	1,050	28	1,400	7	350	(7)	(350)	(25.0%)	(25.0%)	14	700	200.0%	200.0%
Total			546	57,644	536	50,300	264	26,396	10	7,344	1.9%	14.6%	282	31,248	106.8%	118.4%



MEMORANDUM

TO: Members of the Airport Authority
FROM: Janet Burnette, Director of Finance & Accounting
DATE: April 8, 2022

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of February 2022

SUMMARY

Operating Revenues for the month of February were \$1,215,598, 6.6% under budget. Operating Expenses for the month were \$780,593, 24.9% under budget. As a result, Net Operating Revenues before Depreciation were \$435,005. Net Non-Operating Revenues were \$339,930, 11.4% over budget.

Year-to-date Operating Revenues were \$12,634,018, 21.4% over budget. Year-to-date Operating Expenses were \$5,951,907, 28.4% under budget. Year-to-date Net Operating Revenues before Depreciation were \$6,682,111. Net Non-Operating Revenues for the year were \$13,643,848, 459.2% over budget.

REVENUES

Significant variations to budget for February were:

Term rentals – airlines	(\$19,971)	(10.92%)	Enplanements under budget
Rental car-car rentals	(\$60,114)	(25.76%)	Enplanements under budget
Landing fees	(\$26,340)	(21.07%)	Landings under budget
Auto parking	\$28,648	6.25%	Parking exceeded projections for month

Information Section – Item B



EXPENSES

Significant variations to budget for February were:

Professional services	(\$19,407)	(34.52%)	Invoicing less than anticipated
Other contractual services	(\$40,695)	(31.41%)	Invoice for parking contract not received
Insurance	(\$29,961)	(107.51%)	No invoicing and receipt of reimbursement
Operating supplies	(\$19,735)	(49.97%)	Minimal purchases
Promotional activities	(\$20,724)	(84.40%)	Minimal promotional activities
Utilities	(\$35,428)	(88.65%)	Invoices for electricity issued late

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents increased by \$1.6M mostly due to receipt of NC DOT grant.

Construction in Progress – Construction in Progress increased by \$468K mostly due to the terminal design and air traffic control tower design.

Property and Equipment, Net – Property and Equipment, Net decreased by \$452K due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of February 28, 2022**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.80%	\$ 24,884,368	3,781
NC Capital Management Trust - Cash Portfolio		484,114	4
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		956,377	
Bank of America - PFC Revenue Account	0.80%	12,881,531	1,936
 Total		 <u>\$ 39,206,590</u>	 <u>\$ 5,721</u>

Investment Diversification:

Banks	99%
NC Capital Management Trust	1%
Commercial Paper	0%
Federal Agencies	0%
US Treasuries	0%
	<u>100%</u>

ASHEVILLE REGIONAL AIRPORT
STATEMENT OF CHANGES IN FINANCIAL POSITION
For the Month Ended February 28, 2022

	Current Month	Prior Period
Cash and Investments Beginning of Period	<u>\$ 37,577,887</u>	<u>\$ 38,124,964</u>
Net Income/(Loss) Before Capital Contributions	322,654	347,115
Depreciation	452,281	452,281
Decrease/(Increase) in Receivables	(440,223)	(479,369)
Increase/(Decrease) in Payables	200,542	(148,298)
Decrease/(Increase) in Prepaid Expenses	-	-
Decrease/(Increase) in Fixed Assets	(468,728)	(1,330,761)
Principal Payments of Bond Maturities	-	-
Capital Contributions	1,562,177	600,479
Adjustment from Prior Month	-	11,476
Increase(Decrease) in Cash	<u>1,628,703</u>	<u>(547,077)</u>
Cash and Investments End of Period	<u><u>\$ 39,206,590</u></u>	<u><u>\$ 37,577,887</u></u>

**ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of February 28, 2022**

	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$25,368,682	\$24,148,383
Investments	0	0
Accounts Receivable	760,384	468,038
Passenger Facility Charges Receivable	250,000	250,000
Refundable Sales Tax Receivable	92,207	89,062
Grants Receivable	3,338,730	3,193,998
Prepaid Expenses	1,373,057	1,373,057
Inventory - Broadmoor	0	0
Total Unrestricted Assets	31,183,060	29,522,538
Restricted Assets:		
Cash and Cash Equivalents	13,837,907	13,429,504
Total Restricted Assets	13,837,907	13,429,504
Total Current Assets	45,020,967	42,952,042
Noncurrent Assets:		
Construction in Progress	136,980,748	136,512,020
Net Pension Asset - LGERS	(1,694,894)	(1,694,894)
Benefit Payment - OPEB	347,993	347,993
Contributions in Current Year	1,110,918	1,110,918
Property and Equipment - Net	70,005,770	70,458,050
Total Noncurrent Assets	206,750,535	206,734,087
	\$251,771,502	\$249,686,129
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	(\$24,936)	(\$100,433)
Customer Deposits	84,918	84,918
Unearned Revenue	171,389	76,199
Unearned Revenue - Constr	0	0
Construction Contracts Payable	0	0
Construction Contract Retainages	2,512,881	2,512,881
Revenue Bond Payable - Current	1,345,000	1,345,000
Interest Payable	59,710	29,855
Total Payable from Unrestricted Assets	4,148,962	3,948,420
Total Current Liabilities	4,148,962	3,948,420
Noncurrent Liabilities:		
Pension Deferrals - OPEB	229,725	229,725
Other Postemployment Benefits	1,316,093	1,316,093
Compensated Absences	524,744	524,744
Net Pension Obligation-LEO Special Separation Allowance	614,383	614,383
Revenue Bond Payable - Noncurrent	13,645,000	13,645,000
Total Noncurrent Liabilities	16,329,945	16,329,945
Total Liabilities	20,478,907	20,278,365
Net Assets:		
Invested in Capital Assets	191,996,518	191,980,070
Restricted	13,837,907	13,429,504
Unrestricted	25,458,170	23,998,190
Total Net Assets	231,292,595	229,407,764
	\$251,771,502	\$249,686,129



Income Statement

Through 02/28/22

Summary Listing

Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
Fund Category Governmental Funds						
Fund Type General Fund						
Fund 10 - General Fund						
<i>Operating revenues</i>						
Terminal space rentals - non airline	24,853.57	189,643.75	192,685.33	(3,041.58)	289,028.00	99,384.25
Terminal space rentals - airline	162,966.97	1,675,717.50	1,463,505.33	212,212.17	2,195,258.00	519,540.50
Landing fees	98,659.95	1,035,573.01	1,000,000.00	35,573.01	1,500,000.00	464,426.99
Concessions	54,576.42	535,399.63	374,766.67	160,632.96	562,150.00	26,750.37
Auto parking	486,981.83	4,695,150.88	3,666,666.67	1,028,484.21	5,500,000.00	804,849.12
Rental car - car rentals	173,219.10	2,575,049.76	1,866,666.67	708,383.09	2,800,000.00	224,950.24
Rental car - facility rent	59,394.95	475,159.60	475,170.00	(10.40)	712,755.00	237,595.40
Commerce ground transportation	20,014.80	202,821.44	220,000.00	(17,178.56)	330,000.00	127,178.56
FBOs	88,719.38	758,184.35	732,477.33	25,707.02	1,098,716.00	340,531.65
Building leases	5,339.75	46,320.03	34,742.67	11,577.36	52,114.00	5,793.97
Land leases	27,899.85	220,643.60	216,972.67	3,670.93	325,459.00	104,815.40
Other leases and fees	12,971.79	224,355.18	163,866.67	60,488.51	245,800.00	21,444.82
<i>Operating revenues Totals</i>	<u>\$1,215,598.36</u>	<u>\$12,634,018.73</u>	<u>\$10,407,520.00</u>	<u>\$2,226,498.73</u>	<u>\$15,611,280.00</u>	<u>\$2,977,261.27</u>
<i>Non-operating revenue and expense</i>						
Customer facility charges	99,535.00	1,290,988.51	933,333.33	357,655.18	1,400,000.00	109,011.49
Passenger facility charges	264,529.47	2,172,176.40	1,500,000.00	672,176.40	2,250,000.00	77,823.60
Broadmoor operating revenues	.00	293,179.23	.00	293,179.23	.00	(293,179.23)
Broadmoor operating expenses	.00	(172,652.00)	.00	(172,652.00)	.00	172,652.00
Cares Act grant	.00	3,257,883.04	.00	3,257,883.04	.00	(3,257,883.04)
Interest revenue	5,720.55	37,113.09	6,666.67	30,446.42	10,000.00	(27,113.09)
Interest expense	(29,855.08)	(238,842.20)	.00	(238,842.20)	.00	238,842.20
Reimbursable cost expenses	.00	.00	.00	.00	.00	.00
Gain or loss on disposal of assets	.00	.00	.00	.00	.00	.00
P-card rebate	.00	4,001.57	.00	4,001.57	.00	(4,001.57)
Miscellaneous	.00	7,000,000.00	.00	7,000,000.00	.00	(7,000,000.00)
<i>Non-operating revenue and expense Totals</i>	<u>\$339,929.94</u>	<u>\$13,643,847.64</u>	<u>\$2,440,000.00</u>	<u>\$11,203,847.64</u>	<u>\$3,660,000.00</u>	<u>(\$9,983,847.64)</u>
Capital contributions	1,562,176.62	8,603,320.47	.00	8,603,320.47	.00	(8,603,320.47)



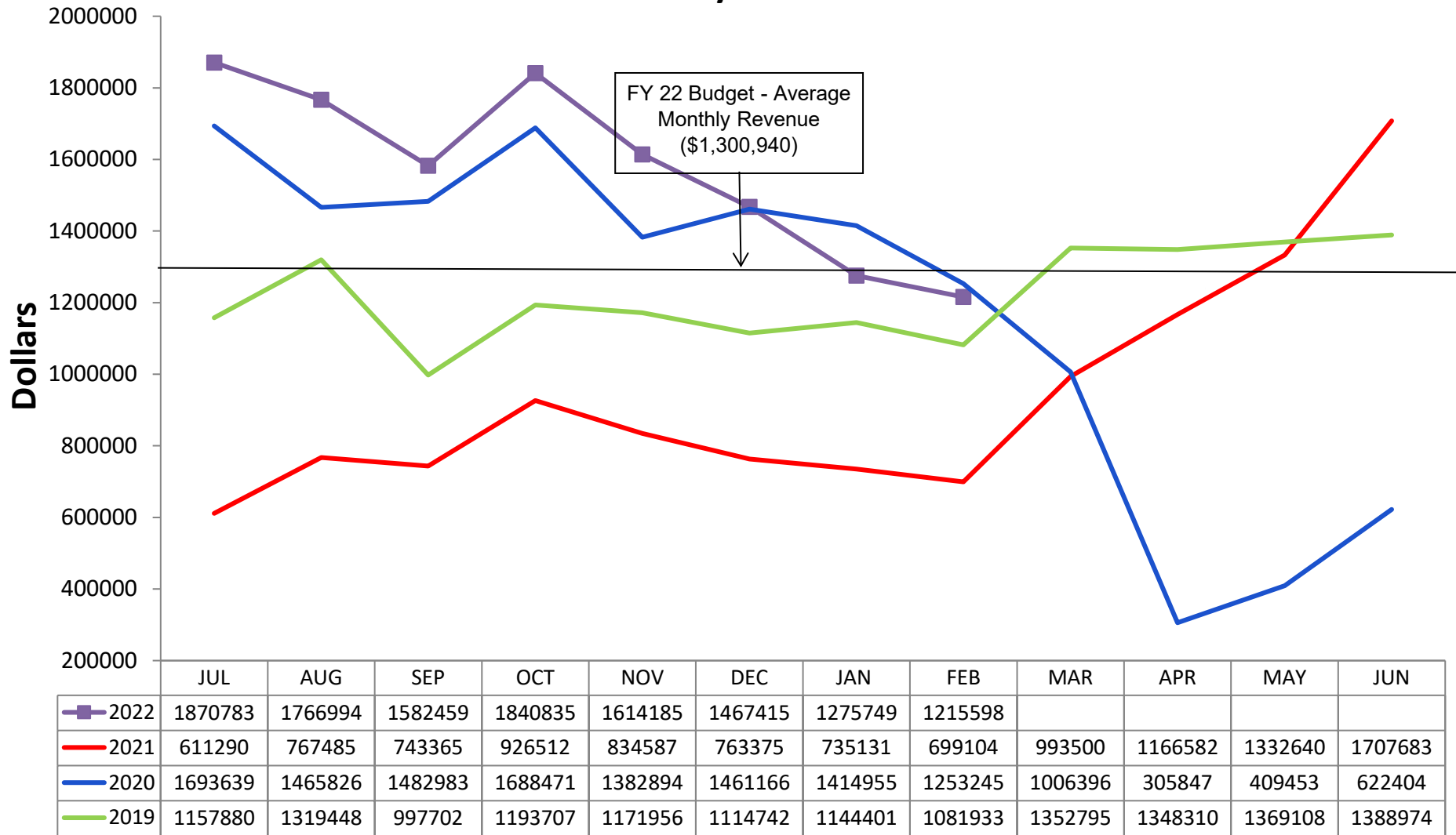
Income Statement

Through 02/28/22

Summary Listing

Classification	MTD Actual Amount	YTD Actual Amount	YTD Budget Amount	YTD Variance	Annual Budget Amount	Budget Less YTD Actual
<i>Operating expenses</i>						
Personnel services	567,903.17	4,099,889.65	5,000,008.67	(900,119.02)	7,500,013.00	3,400,123.35
Professional services	36,817.57	305,205.70	449,800.00	(144,594.30)	674,700.00	369,494.30
Other contractual services	88,851.02	679,950.61	1,036,372.00	(356,421.39)	1,554,558.00	874,607.39
Travel and training	19,212.67	69,226.55	117,766.67	(48,540.12)	176,650.00	107,423.45
Communications	3,086.06	28,272.07	40,826.67	(12,554.60)	61,240.00	32,967.93
Utility services	4,536.12	190,358.45	319,711.33	(129,352.88)	479,567.00	289,208.55
Rentals and leases	.00	9,883.85	10,206.67	(322.82)	15,310.00	5,426.15
Insurance	(2,094.00)	10,786.00	222,933.33	(212,147.33)	334,400.00	323,614.00
Advertising, printing and binding	284.34	1,888.90	10,653.33	(8,764.43)	15,980.00	14,091.10
Promotional activities	3,831.86	109,862.95	196,450.00	(86,587.05)	294,675.00	184,812.05
Other current charges and obligations	6,265.33	45,824.10	52,766.67	(6,942.57)	79,150.00	33,325.90
Operating supplies	19,759.45	187,569.93	315,956.67	(128,386.74)	473,935.00	286,365.07
Publications, subscriptions, memberships, etc.	1,109.47	42,827.89	39,720.00	3,107.89	59,580.00	16,752.11
Repairs and maintenance	24,339.16	109,141.02	141,533.33	(32,392.31)	212,300.00	103,158.98
Small equipment	6,690.57	61,219.43	63,000.00	(1,780.57)	94,500.00	33,280.57
Contingency	.00	.00	66,666.67	(66,666.67)	100,000.00	100,000.00
Emergency repairs	.00	.00	33,333.33	(33,333.33)	50,000.00	50,000.00
Business development	.00	.00	200,000.00	(200,000.00)	300,000.00	300,000.00
<i>Operating expenses Totals</i>	<u>\$780,592.79</u>	<u>\$5,951,907.10</u>	<u>\$8,317,705.33</u>	<u>(\$2,365,798.23)</u>	<u>\$12,476,558.00</u>	<u>\$6,524,650.90</u>
<i>Depreciation</i>						
Depreciation	452,281.00	3,618,248.00	.00	3,618,248.00	.00	(3,618,248.00)
<i>Depreciation Totals</i>	<u>\$452,281.00</u>	<u>\$3,618,248.00</u>	<u>\$0.00</u>	<u>\$3,618,248.00</u>	<u>\$0.00</u>	<u>(\$3,618,248.00)</u>
Grand Totals						
REVENUE TOTALS	3,117,704.92	34,881,186.84	12,847,520.00	22,033,666.84	19,271,280.00	(15,609,906.84)
EXPENSE TOTALS	1,232,873.79	9,570,155.10	8,317,705.33	1,252,449.77	12,476,558.00	2,906,402.90
Grand Total Net Gain (Loss)	<u>\$1,884,831.13</u>	<u>\$25,311,031.74</u>	<u>\$4,529,814.67</u>	<u>\$20,781,217.07</u>	<u>\$6,794,722.00</u>	<u>\$18,516,309.74</u>

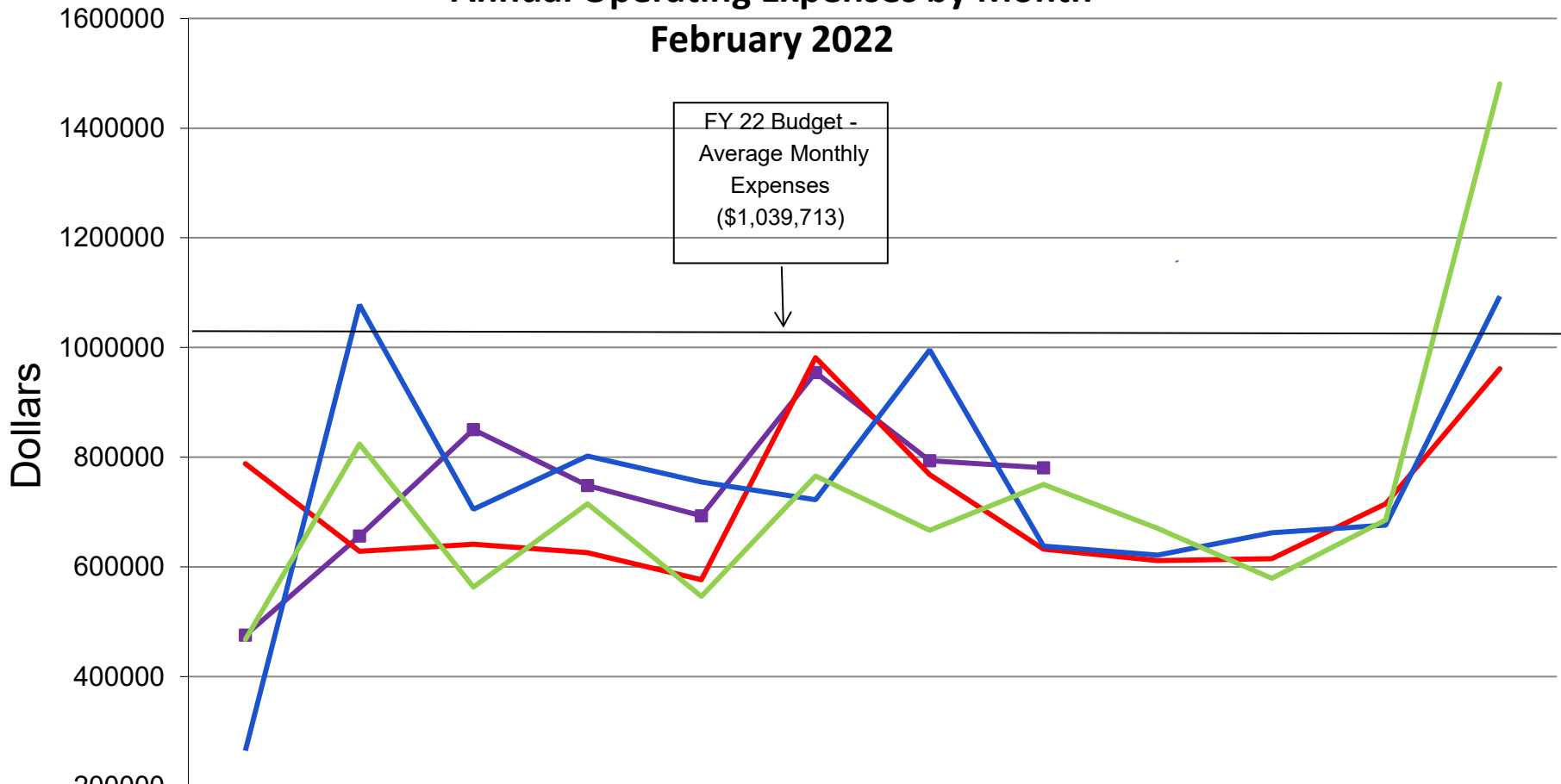
ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month February 2022



ASHEVILLE REGIONAL AIRPORT

Annual Operating Expenses by Month

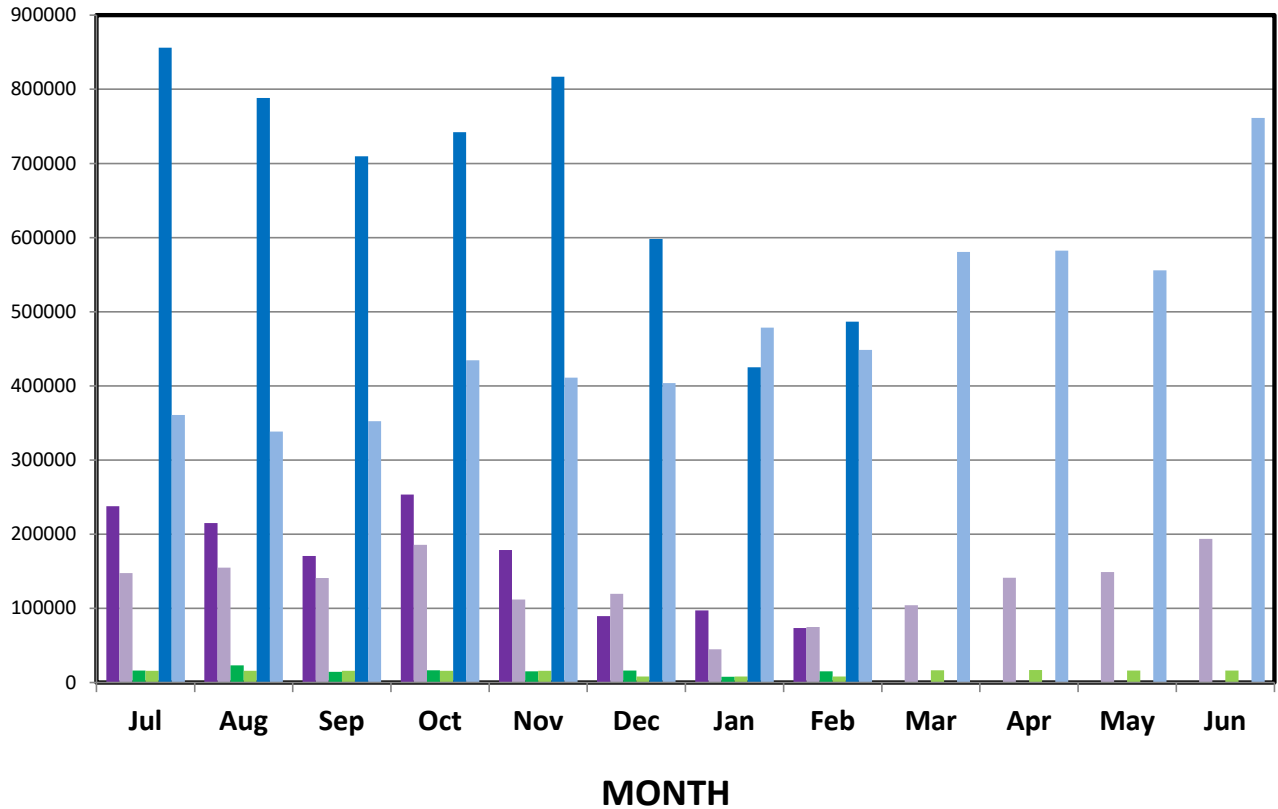
February 2022



	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
2022	475489	656101	850419	748420	692984	954472	793428	780593				
2021	788272	628561	641559	625891	576630	981507	768156	632342	611610	614830	714835	961373
2020	264978	1077831	704819	802144	754800	722727	995620	637669	621479	662302	676330	1093523
2019	467701	823824	563350	714938	546502	766012	666544	750376	670406	579071	685414	1480804

**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
February 2022**

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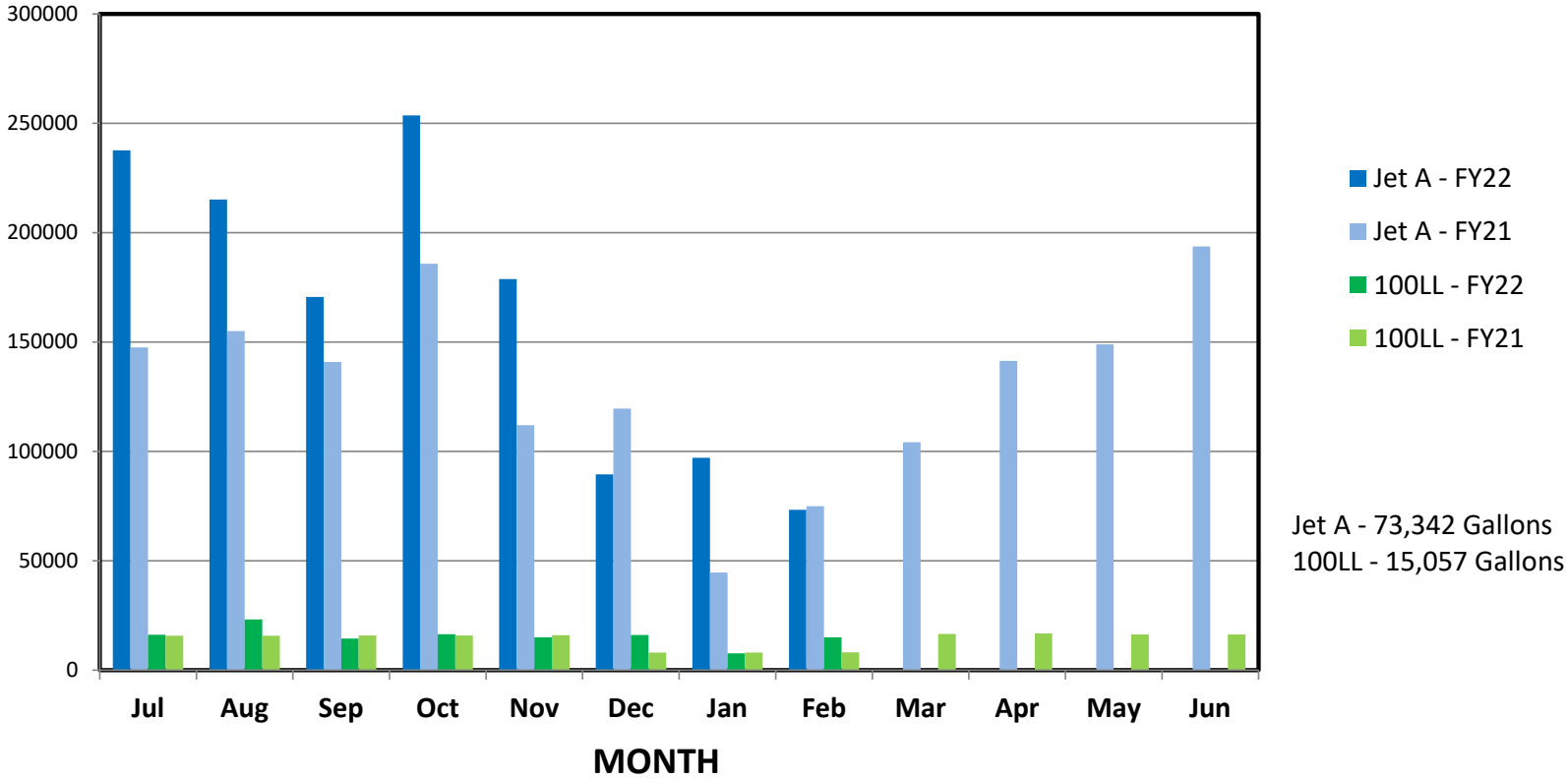


- Jet A FY22
- Jet A - FY21
- 100LL - FY22
- 100LL - FY21
- Airline - FY22
- Airline - FY21

Jet A - 73,342 Gallons
100LL - 15,057 Gallons
Airline - 486,775 Gallons

ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
February 2022

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Greater Asheville Regional Airport Authority
Construction Project Report - April 2022

Design Phase

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2022)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2022)	Start Date	End Date	Current Project Status (as of 04/01/2022)
1	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	\$821,196.00	N/A	N/A	\$915,061.00	111.4%	\$1,736,257	95.0%	\$1,647,216	Nov-18	Mar-22	Project is closed. No further report.
2	Terminal Building Renovations	Phase 2 - Terminal Building Modernization Design	Gresham Smith	\$12,608,794.00	N/A	N/A	\$0.00	0.0%	\$12,608,794	70.7%	\$8,917,760	Nov-19	Jun-22	Design continues to progress.
3	Terminal Building Renovations	Pre-Construction CMR	Hensel Phelps	\$1,088,270.00	N/A	N/A	\$0.00	0.0%	\$1,088,270	85.1%	\$925,382	Dec-20	Jun-22	CMR Pre-Construction phase services.
4	Air Traffic Control Tower	Design new facility	Pond Company	\$4,157,923.00	N/A	N/A	\$0.00	0.0%	\$4,157,923	18.9%	\$786,270	Mar-21	Sep-22	Design continues to progress towards 70%.
5	Parking Lot D Restart	Continue design of parking lot across highway 280.	AVCON	\$25,000.00	N/A	N/A	\$0.00	0.0%	\$25,000	54.7%	\$13,679	Jun-21	Aug-22	Awaiting permits to commence work.
6	Rehabilitate South GA Apron	Design apron rehabilitation	Parrish and Partners	\$565,432.00	N/A	N/A	\$0.00	0.0%	\$565,432	18.7%	\$105,802	Jun-21	Jul-22	Bids received. Construction work to begin Mid-April/May.
7	Airport Master Plan	Update current Master Plan	CHA	\$989,004.00	N/A	N/A	\$0.00	0.0%	\$989,004	15.3%	\$151,404	Jul-21	Sep-22	Document preparation continues.
8	Stormwater Drainage Improvements	Identify deficiencies and design stormwater improvements	AVCON	\$205,000.00	N/A	N/A	\$0.00	0.0%	\$205,000	0.0%	\$0	Jan-22	Sep-22	Stormwater review in progress.

Construction Phase

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 04/01/2022)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 04/01/2022)	Start Date	End Date	Current Project Status (as of 04/01/2022)
1	Apron Expansion South	Terminal apron to be expanded and added for aircraft use.	Parrish and Partners	Amount in Design Fees	Zachary Construction	\$9,087,857	\$361,137.88	3.97%	\$9,542,250	69.2%	\$6,506,380	Sep-19	Mar-22	Project in closeout.
2	Parking Lot D Restart	Construct parking lot across highway 280	AVCON Inc	Amount in Design Fees	Chatham Civil Construction	\$297,567	\$0	0.00%	\$489,328	0.0%	\$0	Aug-21	Aug-22	Construction pending permits issuance.
3	Terminal Building Modernization - CMR Construction	CGMP-1 Utilities relocation	Gresham Smith	Amount in Design Fees	Hensel Phelps	\$6,215,900	\$0	0.00%	\$6,837,490	1.8%	\$108,930	Jan-22	Dec-22	Stormwater and Erosion Control permits are pending. Work to begin once received.

*(bal of approved contract)

Key strategic priorities

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

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