



AGENDA

Greater Asheville Regional Airport Authority Regular Meeting
Friday, August 11, 2017, 8:30 a.m.
Conference Room at Administrative Offices

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

- I. CALL TO ORDER
- II. PRESENTATIONS:
 - A. Infrastructure Needs – Michael Reisman ([document](#))
- III. FINANCIAL REPORT ([document](#))
- IV. CONSENT ITEMS:
 - A. Approval of the Greater Asheville Regional Airport Authority July 14, 2017 Regular Meeting Minutes Parts A and B ([document](#))
 - B. Approval of the Greater Asheville Regional Airport Authority July 14, 2017 Closed Session Minutes Parts A and B
 - C. Approval of Amendment to the FY16/17 Budget ([document](#))
- V. OLD BUSINESS: None
- VI. NEW BUSINESS:
 - A. Preliminary Approval of the Authority's Amended Ordinance of Airline Rates, Fees and Charges for the Asheville Regional Airport ([document](#))



- B. Approval of Airline Operating and Space Use Agreement ([document](#))
- C. Approval of the Award of Contract to LAZ Parking Georgia, LLC for the Management and Operation of Public Parking Facilities at Asheville Regional Airport ([document](#))

VII. DIRECTOR'S REPORT:

- A. Aircraft Apron Expansion
- B. Pilot Shortage Articles

VIII. INFORMATION SECTION:

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

- A. June 2017 Traffic Report ([document](#))
- B. June 2017 Monthly Financial Report ([document](#))
- C. August 2017 Development/Project Status Report ([document](#))
- D. Airport Facilities Review for Second Quarter ([document](#))
- E. Potential Board Items for the Next Regular Meeting:
 - Final Approval of Airlines Rates and Charges Model

IX. PUBLIC AND TENANTS' COMMENTS

X. CALL FOR NEXT MEETING

XI. CLOSED SESSION:

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



XII. AUTHORITY MEMBER REPORTS:

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

XIII. ADJOURNMENT

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

Terminal Building Status Overview

History

- Original Construction – Late 1950's
- Commissioning – 1961 w/25,060 Sqft.



History

- Expansions
 - 1964 – Lounge
 - 1972 - Holdroom
 - 1980 - Bag Claim & Gate area
 - 1992:
 - Ticket Lobby expansion
 - Bag Claim (again)
 - Lobby / Atrium added
 - A Gates second level added
 - Ground Boarding gates expanded

History



History

- Expansions (Continued)
 - 2003:
 - 10,000 Sqft. Passenger Lounge added
 - Ticket Lobby renovated & expanded
 - Great Hall renovated.
 - 2009/2010:
 - Bag Claim Improvements (again)
 - “A” gates expansion & renovation
 - Security checkpoint expansion & renovation

History

- Expansions (Continued)
 - 2012:
 - “B” Gates renovation
 - Passenger Boarding Bridges
- 2017 Sqft. = 102,500 Sqft. (Public Sqft.)

Total Sqft. = 115,000

History



Building Issues

- Building Capacity (*the obvious*)
 - Exceeding most recent passenger forecasts.
- Building Infrastructure (*the not so obvious*)
 - 57 Years Old – Some Core Utilities Failing.
- Building Aesthetics (*not critical, but still important*)
 - 1950's era design (Landside).
 - Mismatch of phased expansions.

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BUILDING CAPACITY

Building Capacity

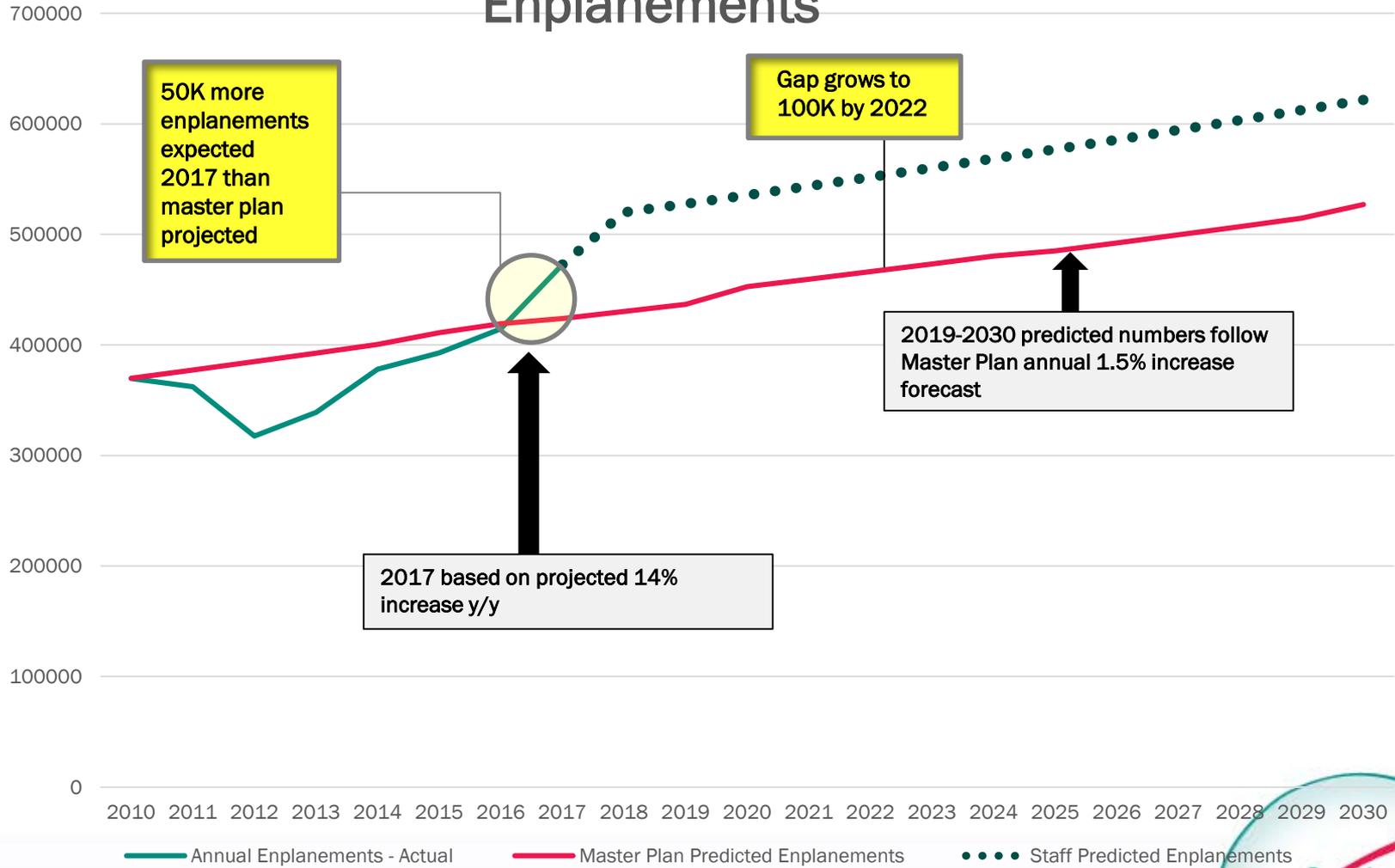
2012 Airport Master Plan Projections

Master Plan	2010	2015	2020	2025	2030
Annual Enplanements	370K	411K	446K	485K	527K
Peak Hour Pax	436	465	502	545	593
Terminal Area Recommended (Sqft.)	102,250	106,100	111,000	116,700	123,050
Existing Terminal Area (Sqft.)	102,500	102,500	102,500	102,500	102,500
Deficiency	250	(3,600)	(8,500)	(14,200)	(20,550)

All numbers rounded.

Building Capacity

Enplanements



50K more enplanements expected 2017 than master plan projected

Gap grows to 100K by 2022

2019-2030 predicted numbers follow Master Plan annual 1.5% increase forecast

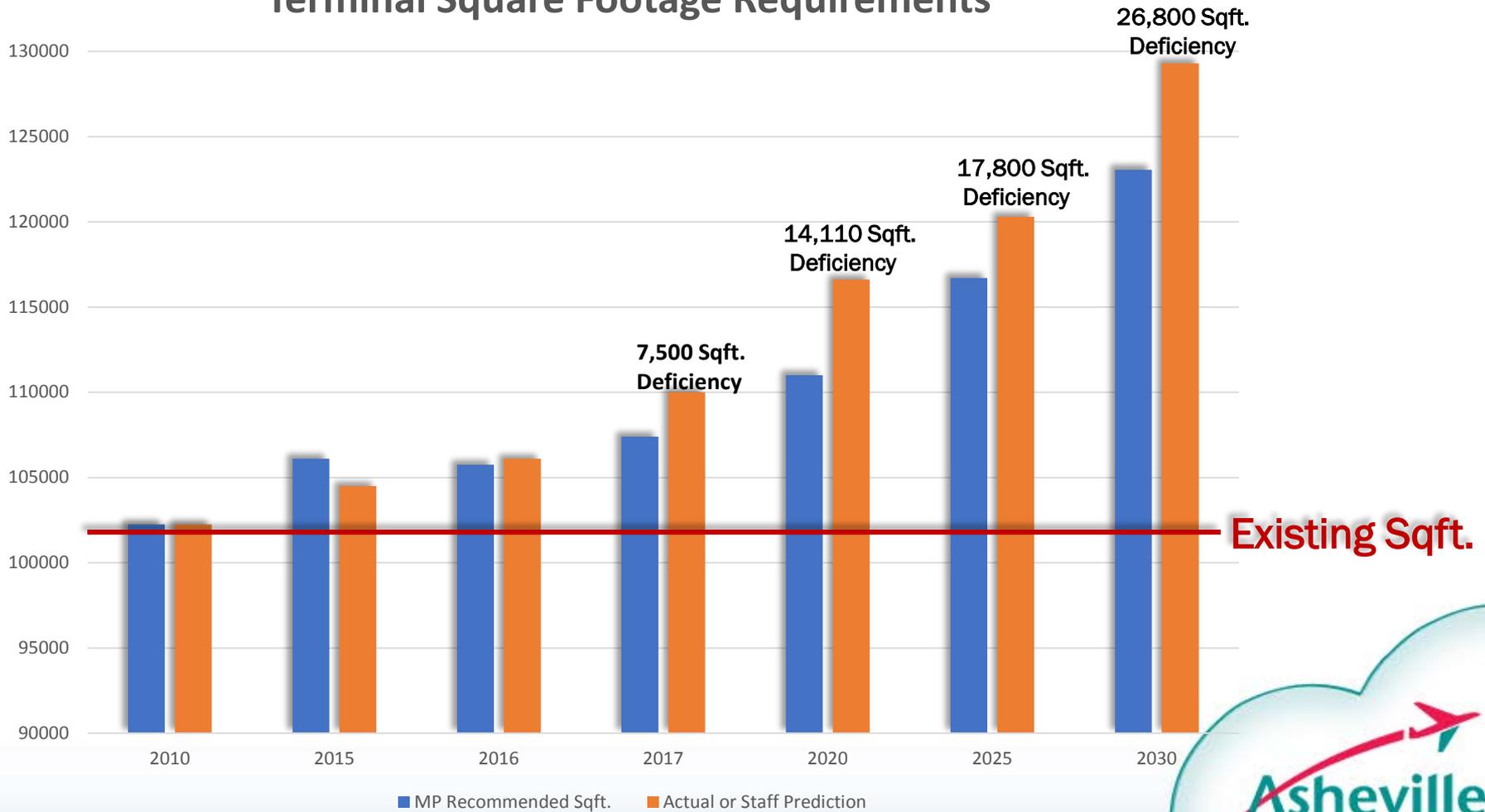
2017 based on projected 14% increase y/y

— Annual Enplanements - Actual — Master Plan Predicted Enplanements ••• Staff Predicted Enplanements



Building Capacity

Terminal Square Footage Requirements



Existing Sqft.



BUILDING INFRASTRUCTURE

Building Infrastructure

- Sewer System

- 6 inch private sewer main lacks needed volume capacity.
- Original clay line sagging, chipping in multiple areas.
- Sewer line routinely clogs and backs up.
- Shut down of rest rooms and impacts to building tenants.
- Conveyance at manholes difficult given volume increase over the years.
- Limited clean outs.
- Various size pipe connections.
- Drainage does not convey properly.

Building Infrastructure

- Water System:
 - Supply line to terminal is not looped.
 - Existing 6 inch line needs up-sizing to accommodate capacity needs.
 - Looping will increase water flow and quality.
 - Lacking fire flow increase.

Building Infrastructure

- Roof System Issues.
 - Multiple leaks throughout building.
 - RAMP Plan in 2012.
 - Current Roof Replacement Schedule:
 - 2020 – 7,311 SF
 - 2023 – 20,132 SF
 - 2026 – 37,791 SF*
 - 2029/30 – 34,219 SF

Almost 50% of building roof systems

*Roof areas already leaking today

Building Infrastructure

- Electrical

- Vault Room overcrowded with equipment.
- Cabling for electric and IT scattered in overheads with no raceways. Difficult to work on.
- Access issues between building additions.
- Utility tunnel is full – No capacity left.
- Frequent power surges & fluctuations throughout building.

Building Infrastructure

- Interior Ceilings
 - Main Terminal ceiling issues.
 - Multiple layers within overhead.
 - Hidden light fixtures “burning”.
- Other Items
 - Windows.
 - Automatic Doors (Size, Location, Age).
 - Floors.
 - Miscellaneous.

A decorative sunburst graphic with light blue rays emanating from a central point at the top of the slide.

BUILDING AESTHETICS

Building Aesthetics

- Exterior Façade
 - 1950's era design (Landside).
 - Stucco, stone, veneer combination.
 - Sections of building do not match.
 - Façade surface worn, deteriorated, stained.
 - Canopy height issue with vehicles.
 - Construction of garage makes it more obvious.

Building Aesthetics



Moving Forward

- “The Obvious”
 - More sqft. needed.
- The “Not So Obvious”
 - Need to address infrastructure first.
- Not critical, but still important...
 - Need to address exterior appearance.

Moving Forward

- Staff Recommendation
 - Conduct Terminal Assessment Study.
 - Hire Outside Consultant.
- Study 3 Major Components:
 - Identify infrastructure deficiencies and needs.
 - Update forecast and building sqft. needs.
 - Identify exterior aesthetic upgrade alternatives.

Moving Forward

- Airport Master Plan
 - FAA directive to conduct update to Airport Master Plan (Enhanced Narrative).
 - Could include terminal building requirements.
 - Undertake in 2018 at end of airfield project.
- Potential for Terminal Assessment Study to be scoped into Master Plan work for funding.
- Probable Funding from NCDOT Funds (RAC Funds).
- RFQ for Consultant Selection.

QUESTIONS?



**Asheville Regional Airport
Executive Summary
June-17**

AIRPORT ACTIVITY

	Month	Variance to Prior Year	Calendar Year to Date	Variance to Prior Year
Passenger Enplanements	45,651	10.6%	203,065	15.4%
Aircraft Operations				
Commercial	1,724	3.4%	8,006	8.7%
Scheduled Flights	712	8.6%		
Flight Cancellations	4			
Seats	56,434	13.1%	260,264	17.7%
Load Factor	80.9%	(2.2%)	78.0%	(1.9%)
General Aviation	3,972	1.9%	19,351	(8.8%)
Military	513	6.0%	2,108	3.2%

FINANCIAL RESULTS

	Month	Variance to Budget	Fiscal Year to Date	Variance to Budget
Operating Revenues	\$ 1,078,756	18.6%	\$ 10,606,846	10.6%
Operating Expenses	1,029,219	6.6%	8,648,227	(11.7%)
Net Operating Revenues before Depreciation	<u>\$ 49,537</u>	189.5%	<u>\$ 1,958,619</u>	1,073.3%
Net Non-Operating Revenues	<u>\$ 338,168</u>	10.9%	<u>\$ 3,165,883</u>	4.2%
Grants:				
FAA AIP Grants	\$ 2,413,697		\$ 14,284,352	
NC Dept of Transportation Grants	-		-	
Total	<u>\$ 2,413,697</u>		<u>\$ 14,284,352</u>	

CASH

Restricted	\$ 16,988,875
Designated for O&M Reserve	4,290,100
Designated for Emergency Repair	650,000
Unrestricted, Undesignated	14,034,045
Total	<u>\$ 35,963,020</u>

RECEIVABLES PAST DUE

	Total	1-30 Days	31-60 Days	Over 60 Days
Advertising Customers	7,175	6,350	-	825
Allegiant	689	-	-	689
American	6,218	439	430	5,349
Budget	2,068	727	931	410
Delta	7,947	285	-	7,662
Enterprise	9,887	607	-	9,280
FAA/TSA	57,992	9,637	9,920	38,435
FAA	239	-	-	239
Paradies	3,487	3,487	-	-
Signature	2,247	-	-	2,247
Skywest	294	-	-	294
United	17,254	17,104	-	150
Vanguard	2,797	1,186	-	1,611
Miscellaneous	4,740	1,613	380	2,747
Total	<u>\$ 123,034</u>	<u>\$ 41,435</u>	<u>\$ 11,661</u>	<u>\$ 69,938</u>
% of Total Receivables	<u>19.30%</u>			

Note: Excludes balances paid subsequent to month-end.

REVENUE BONDS PAYABLE

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

CAPITAL EXPENDITURES

Annual Budget	\$ 70,162,444
Year-to-Date Spending	\$ 30,185,721

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
July 14, 2017**

The Greater Asheville Regional Airport Authority ("Authority") met on Friday, July 14, 2017 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.

The minutes for this regular meeting were bifurcated into Part A and Part B; this is Part A.

MEMBERS PRESENT: Robert C. Roberts, Chair; Matthew C. Burrell, Vice-Chair; Andrew T. Tate; K. Ray Bailey; William L. Moyer; and David Gantt

MEMBERS ABSENT: Stephanie Pace Brown

STAFF AND LEGAL COUNSEL PRESENT: Cindy Rice, Authority Legal Counsel; Lew Bleiweis, Executive Director; Michael Reisman, Deputy Executive Director of Development and Operations; Kevan Smith, Chief of Public Safety; Suzie Baker, Director of Administration; Tina Kinsey, Director of Marketing and Public Relations; Shane Stockman, IT Director; John Coon, Director of Operations; Sam Sales, Public Safety Captain; and Ellen Heywood, Clerk to the Board

ALSO PRESENT: Mike Darcangelo, Avcon; Nick Loder, RS&H

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

The Director requested a moment to thank the Board for their support and assistance with the transfer to an independent authority. The Director stated that the FAA issued an Airport Operating Certificate in the name of the Greater Asheville Regional Airport Authority (GARAA) on June 28, 2017 and the following day the deeds were filed for the transfer of the properties to the GARAA.

PRESENTATIONS:

A. Marketing Update: Tina Kinsey presented a high-level overview of the Marketing Department. Mrs. Kinsey spoke about the department's strategic focus which included supporting airport enplanement goals, building positive perception and loyalty among travelers, as well as generating advertising revenue. Mrs. Kinsey briefly reviewed air service development tactics which included retention of existing markets, analysis and

strategy utilizing data compiled with assistance from a consultant, as well as new service pitches. Mrs. Kinsey also highlighted advertising and public relations plans, along with information on how the airport measures in terms of air service growth.

Mr. Moyer was interested in hearing how the flights to Newark have helped the business volume. Mrs. Kinsey said it was a little soon to tell how the increase in seats has helped. Staff has spoken with United and were told that it's too soon to tell, but staff will plan to speak with the route planners to gather more data. The air service consultant has advised staff that there has been about a 900% stimulation to the Newark market which means a growth in a market of passengers traveling non-stop to Newark that was not there prior. Mr. Moyer stated that he would be very interested in seeing more information about this.

Mr. Gantt questioned why the airport has leakage. Mrs. Kinsey responded that there is a much larger demand than supply, that some travelers want non-stop destinations that the airport doesn't provide and will travel to a major hub for these flights, and also travelers who are fare sensitive and travel to other airports for the fares.

Mr. Gantt inquired about what loyalty programs were in place for frequent flyers. Mrs. Kinsey spoke about the loyalty program that was in place at one time but was found to not be effective with the frequent flyers.

Mr. Burril asked if the business travelers were targeted or if staff met with local organizations that would be frequent business travelers. Mrs. Kinsey stated that at one time there was a business traveler advisory group and staff learned much from that process and forged relationships. Staff is able to gather specific data and route information from these relationships, however, there was not real need to hold formal group meetings.

Mr. Burril asked if on-premise incentives such as an annual parking pass or reserved parking were considered for the business traveler. Mrs. Kinsey replied that once the parking garage was completed, staff would possibly explore all options for loyalty programs for business travelers.

Mr. Burril asked where the data collected by the consultant was obtained. Mrs. Kinsey responded that the data is collected from the Department of Transportation and is reported by the airlines.

The Board thanked Mrs. Kinsey for her presentation.

FINANCIAL REPORT: The Director gave the financial report for the month of May which included enplanements, aircraft operations, and general aviation activity in addition to the financial activity.

CONSENT ITEMS: The Chair stated that Consent Item B, Approval of the Greater Asheville Regional Airport Authority April 21, 2017 Closed Session Minutes, would be pulled for review in Closed Session.

A. Approval of the Greater Asheville Regional Airport Authority April 21, 2017 Regular Meeting Minutes:

C. Approval of Asheville Regional Airport Authority April 21, 2017 Regular Meeting Minutes:

Mr. Moyer moved to approve Consent Items A and C. Mr. Bailey seconded the motion and it carried unanimously.

OLD BUSINESS: None

NEW BUSINESS: The Director mentioned that there was an additional item that would be addressed in closed session.

A. Approval of Resolution Accepting Grants: The Director reported that the Federal Aviation Administration (FAA) and the North Carolina Division of Aviation (DOA) distribute grants each year and these grants are a component in the airport's budget for the capital improvement program. The Director further stated that the grants must be accepted by the Authority and the following resolution provides for this requirement and for staff to accept the grants as they are distributed throughout the year:

Greater Asheville Regional Airport Authority

~ Resolution ~

A RESOLUTION CONFERRING STANDBY AUTHORITY TO ACCEPT GRANTS BY THE GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY DURING THE FISCAL YEAR

WHEREAS, the Greater Asheville Regional Airport Authority (“Authority”) is a body corporate and politic organized and created by the North Carolina General Assembly pursuant to Session Law 2012-121, House Bill 552 known as the Greater Asheville Regional Airport Authority Act (“Act”); and

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

WHEREAS, the Authority has the right under the Act to accept grants of money and/or materials or property of any kind for any existing or future airport facilities from the State of North Carolina, the United States, or any agency, department, or subdivision of either of them: and

WHEREAS, the Federal Aviation Administration (“FAA”), a division under the United States Department of Transportation, annually awards entitlement grants and discretionary grants to airports throughout the United States in support of airport capital improvement projects; and

WHEREAS, the Airport is eligible for such grants; and

WHEREAS, the window of time to accept such grants from the FAA is usually relatively short and may not fall within the schedule of Authority board meetings; and

WHEREAS, the Executive Director recommends that the Authority adopt this resolution so as not to be in a position whereby a grant is forfeited or denied.

NOW, THEREFORE, BE IT RESOLVED and Adopted by the Authority as follows:

Lew Bleiweis, A.A.E., Executive Director of the Greater Asheville Regional Airport Authority, Michael Reisman, Deputy Executive Director – Development and Operations, Robert C. Roberts, Chair of the Authority, and/or Matthew Burrell, Vice Chair of the Authority, or any of them or their successors in office (each an “Authorized Officer”) be,

and they hereby are, authorized to accept, on behalf of the Authority, any and all grant offers made to the Authority by the State of North Carolina, the United States, or any agency, department, or subdivision of either of them; to execute and deliver, for and on behalf of the Authority, any and all instruments necessary to accept such grant offers; to ratify, accept, and adopt all assurances, statements, representations, warranties, covenants and agreements contained in any project application submitted by the Authority in connection with such grants; and to agree, on behalf of the Authority, to comply with any and all such assurances.

Adopted this 14th day of July, 2017

Robert C. Roberts, Chair

Attested by:

Ellen M. Heywood, Clerk to the Board

Mr. Moyer moved to approve a Resolution Conferring Standby Authority to Accept Grants by the Greater Asheville Regional Airport Authority During the Fiscal Year as presented by staff with the continued process of the Director notifying the Board at the next Board meeting of any grants received. Mr. Bailey seconded the motion and it carried unanimously.

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

A. Update on State Funding: The Director reported that through collaboration with the lobbyist hired by the commercial service airports in North Carolina, the state budget has specifically allocated approximately \$40 million to commercial service airports in the state. The second year of this funding will appropriate approximately \$70 million to airports. Asheville is designated to receive \$2.026 million in both consecutive years bringing the total to just over \$4 million. The Director advised the Board that there is a kill switch that allows for the funding to be pulled at any time and the funds are to be used for capital improvements and or debt reduction. Staff will be submitting projects to the state to receive the funds.

Mr. Moyer asked if the kill switch meant that the airport could start a project only to have the funding pulled. The Director responded that this was correct and that once a project is approved, the funds become available from an account that staff can draw down from once the expenses are submitted.

The Director further stated that he is appreciative of the support from the delegates and had met with several senators and house members from the western region to familiarize them with the funding program.

B. Update on Airline Lease Agreement: The Director reported that work with the airlines on a new rate model has been going well. The consultant has one more number to run and staff anticipates bringing the new rate model to the Board for approval in August.

Mr. Moyer asked if any of the airlines were using the lease agreement as leverage for development or if other airports were using the lease agreement for development. The Director responded that this has not been a problem.

C. Change Order for Parking Garage: A \$31,000 change order was received and approved for the parking garage project. The majority of the change order was for additional structural steel for the elevator infrastructure.

D. Contingency Transfer: A transfer in the amount of \$30,000 was made from contingency to professional services in the Executive budget to cover expenses for the lobbyist working on funding with the NCDOT, the consultant working on the airline rates and charges model, and the consultant to finalize the paperwork for the independent authority.

E. Insurance Renewal Update: Suzie Baker informed the Board that the final quotes for the business insurance came in at \$200,000, this was lower than the expected cost of \$228,000. The increase for the insurance over the prior year was \$2,800.

F. FIDS Contract Award: The Director advised the Board that the Flight Information Display System contract was awarded to Comnet at a quote of \$175,000. Comnet was the lower of the two bids received and was within budget, so staff was able to move forward with this project.

G. Magazine Articles: A magazine article regarding FBO fees was available for the Board Members at their seats. The Director also mentioned that this same magazine contained another article regarding pavement repairs that featured some of Asheville's employees.

H. Awards: The Director reported that the airport was recognized by Buncombe County with a 2017 land conservation hall of fame award in recognition of the conservation easement provided to CMLC. The airport also received an award from ARC of Buncombe County for the continued support of the Wings for Autism program.

I. Airport Funding: FAA re-authorization has been up for discussion in Congress. A five-year reauthorization bill has been submitted. The aviation industry has been pushing very hard to get PFC's increased and other funding mechanisms realized. The bill talks about privatizing the air traffic control system, but there is no mention about airports. Airports Council International and the American Association of Airport Executives will meet to decide what the approach will be. The two groups could possibly oppose the bill as they have spent time building a huge industry coalition to support PFC increases and do not want to send the wrong message with inaction and staying silent.

INFORMATION SECTION: No comments

PUBLIC AND TENANTS COMMENTS: No comments

CALL FOR NEXT MEETING: The next regular meeting of the Authority Board will be on August 11, 2017.

CLOSED SESSION: At 9:35 a.m. Mr. Gantt moved to go into Closed Session pursuant to Subsections 143-318.11 (a) (3), (4), and (6) of the General Statutes of North Carolina to Consult with Legal Counsel in Order to Preserve the Attorney-Client Privilege, 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, and to Consider Personnel Matters. Mr. Moyer seconded the motion and it carried unanimously.

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

(Please see the minutes for Part B relative to the ending of this Regular Meeting.)

Respectfully submitted,

Ellen Heywood
Clerk to the Board

Approved:

Robert C. Roberts
Chair

**REGULAR MEETING
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY (PART B)
July 14, 2017**

The minutes for this Regular Meeting were bifurcated, and this is Part B thereof, which began immediately following the Closed Session. The following Board Members were present: Robert C. Roberts, Chair; Matthew C. Burrell, Vice-Chair; William L. Moyer; K. Ray Bailey; and David Gantt. Cindy M. Rice, Legal Counsel, was also in attendance for Part B of the Regular Meeting.

Open Session resumed at approximately 10:56 am.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY JULY 14, 2017 CLOSED SESSION MINUTES: Mr. Gantt 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. Moyer seconded the motion and it carried unanimously.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY APRIL 21, 2017 CLOSED SESSION MINUTES: Mr. Gantt moved to approve the minutes for the April 21, 2017 Closed Session, and to seal and withhold the minutes from the April 21, 2017 Closed Session from public inspection so long as public inspection would frustrate the purpose or purposes thereof. Mr. Bailey seconded the motion and it carried unanimously.

NEW BUSINESS:

B. Approve Contract for Runway NavAids Installation: Mr. Bailey moved to approve the award of a contract for the remaining balance of the NavAids work with Aviation Construction and Electric, LLC, and to authorize the Executive Director to execute the necessary documents, in accordance with the recommended action contained in the Memorandum from Mr. Reisman regarding New Business - Item B. Mr. Tate seconded the motion and it carried unanimously.

c. Executive Director Performance Evaluation: Mr. Bailey moved to increase the Executive Director's salary by 5% and to contribute 3.5% to the Executive Director's 457 deferred compensation plan effective July 1, 2017. Mr. Tate seconded the motion and the motion carried unanimously.

The Chair indicated that he would convey to the Executive Director the Board's recommendations and comments regarding the performance, and Ms. Rice will then provide the Executive Director with a summarization of the changes to his employment.

The Chair also indicated that he would authorize the Executive Director to use a portion of his annual travel allowance to secure an elite travel credit card, as requested, for use solely by the Executive Director. Finally, the Chair indicated he would instruct the Executive Director to have staff prepare a revised travel policy for the Board's consideration.

ZONING OVERLAY DISTRICT: A brief discussion was had regarding the zoning overlay district and the work that would be necessary for the GARAA to achieve that goal.

ADJOURNMENT: At approximately 11:07 am, Mr. Bailey made a motion to adjourn. The motion was seconded by Mr. Moyer and the motion carried by unanimous vote.

The meeting adjourned at approximately 11:07am.

(Please see the minutes for Part A relative to the beginning of this Regular Meeting.)

Respectfully submitted,

Robert C. Roberts
Chair



MEMORANDUM

TO: Members of the Airport Authority

FROM: Janet Burnette, Director of Finance and Accounting

DATE: August 11, 2017

ITEM DESCRIPTION – Consent Item C

Approval of Amendment to the FY16/17 Budget

BACKGROUND

The Public Safety department works in conjunction with the Department of Homeland Security Investigations/DEA to identify and confiscate illegally obtained assets. These assets, or forfeiture funds, are delivered to Homeland Security, then a portion of these funds is returned to the Authority to be used to enhance the operations within the Public Safety department.

The Authority has received additional Federal forfeiture funds in the amount of \$11,221. Therefore, a budget amendment is necessary to increase the current year Public Safety budget by this amount.

We recommend that the Airport Authority Board amend the FY16/17 budget as outlined below.

ISSUES

None.

ALTERNATIVES

None.

FISCAL IMPACT

The budget amendment will increase both FY16/17 budgeted revenues and expenditures by \$11,221 to provide for the change outlined above. The net increase in Transfers from GARAA Cash is \$11,221.

Consent – Item C



RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to amend the FY16/17 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, 2017:

Section 1. To amend the appropriations as follows:

EXPENDITURES:

	<u>Decrease</u>	<u>Increase</u>
Public Safety Department	_____	\$11,221
Totals	=====	\$11,221

This will result in a net increase of \$11,221 in the appropriations. Revenues will be revised as follows:

REVENUES:

	<u>Decrease</u>	<u>Increase</u>
Transfer from GARAA Cash	_____	\$11,221
Totals	=====	\$11,221

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 August, 2017.

Matthew C. Burril, Vice-Chair

Attested by:

Ellen Heywood, Clerk to the Board



MEMORANDUM

TO: Members of the Airport Authority

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

DATE: August 11, 2017

ITEM DESCRIPTION – New Business Item A

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

BACKGROUND

In December 2016, the Authority adopted a new schedule of airline rates, fees and charges ordinance based on a rate model that is new for Asheville but treats the legacy carriers and ultra-low cost carriers fair and reasonably. In the due process of approving the ordinance, the Board requested the airlines and staff come back to the negotiating table and try to come up with an alternative rate method that will be more acceptable to the different types of carriers operating at Asheville Regional Airport. After months of negotiating, the airlines and staff have developed a model that, while being somewhat fair and reasonable, is acceptable (with some hesitancy) to all the carriers. This new model calculates fees for Baggage Make-Up and Baggage Claim areas based on 85% of the expenses from the number of checked bags and 15% based on a fixed cost of the facilities; Gate Areas on 85% enplaned passengers and 15% fixed; Loading Bridge Fees are based on 100% per turn usage; Passenger-Related Security Fees are based on 100% enplanements; and Landing Fees are 100% based on landing weight. Airlines with enplaned market share of less than 7% will be charged on a per departure basis to avoid the 15% fixed costs, which can potentially be a cost burden impacting new airline entry to the Airport. As in the past, the Authority has historically shared a portion of certain airport revenues to maintain airline rates and charges competitively with other airports. At the Authority's discretion, this will continue with surplus revenues once all other financial obligations for the Airport are met.

Since this new model is based on some uncertainties around utilization and passenger loads, modifications to the model may need to be made once it is placed into operation.

New Business – Item A



Staff is recommending that the new rate model be adopted as an amendment to the current ordinance rather than be included in an operating agreement.

ISSUES

The Authority's ordinance process requires two board meetings and a public hearing to implement. After the process is completed over the next couple of months, and if the rate model ordinance is adopted, it is staff's intent to make the new rates effective retroactive to July 1, 2017.

ALTERNATIVES

None

FISCAL IMPACT

None. The rates and charges assessed to the airlines basically cover their operating expenses. It is not the intent of the Authority to make a profit from the airlines operating at the airport. An ordinance also does not distinguish between signatory and non-signatory carriers and thereby non-signatory premium rents do not get assessed.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board: (1) consider and approve the proposed preliminary Amended Airline Rates, Fees and Charges Ordinance No. 201601, Section 8; (2) schedule a public hearing and accept public comment on the proposed preliminary Amended Airline Rates, Fees and Charges Ordinance No. 201601; and (3) following the minimum ten-day period for public comment and the public hearing, adopt the Amended Airline Rates, Fees and Charges Ordinance No. 201601.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

AMENDED ORDINANCE NO. 201601

**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.

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.

6.5 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 Joint Use Space. Airline's share of the Total Terminal Building Rentals for Joint Use Space will be determined as follows: (1) sixty-five percent (65%) of the total rentals due shall be prorated among Airlines using Joint Use Space based upon Airline's share of Enplaned Passengers, (2) thirty-five percent (35%) of the total rentals due shall be prorated among the Airlines using Joint Use Space based upon Airline's share of aircraft departures.

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 2017-2018 Fiscal Year Schedule of Rates, Fees and Charges effective July 1, 2017 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 _____, 2017, after due notice and a public hearing, by the Greater Asheville Regional Airport Authority.

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**

By: _____
Robert C. Roberts, Chair

ATTEST:

Ellen M. Heywood, Clerk to the Board

SUMMARY TABLE**RESULTS****GARAA**

(Fiscal Years Ending June 30)

	Budget	Budget
	2017	2018
<u>Signatory Airline Rates & Charges:</u>		
Terminal Building Rental Rate (per s.f.)	\$43.08	\$44.61
Passenger-Related Security Fee (per EP)	\$0.75	\$0.72
Landing Fee (per 1,000-lbs)	\$1.65	\$1.69
Ticket Counter & Queue Fee (per EP-unassigned)	\$0.55	\$0.56
Baggage Make-Up & Claim Fee (per bag)	\$1.09	\$1.12
Baggage Make-Up & Claim Fee (per airline)	\$11,819	\$12,238
Gate Area Charge per (enplaned pax)	\$1.65	\$1.67
Gate Area Fee (per airline)	\$30,191	\$31,262
Loading Bridge Fee (per depart.)	\$9.66	\$9.91
Turn Fees ¹		
Per Turn Fee for Exempt Carriers (0-70 seats)	\$292.00	\$297.00
Per Turn Fee for Exempt Carriers (71-135 seats)	\$347.00	\$354.00
Per Turn Fee for Exempt Carriers (136+ seats)	\$389.00	\$396.00
Average AVL CPE	\$6.44	\$6.61

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

Source: Airport management records

Compiled by Trillion Aviation, July 2017

Table 1**AVIATION ACTIVITY****GARAA**

(Fiscal Years Ending June 30)

	Budget	Budget
	2017	2018
<u>Enplaned Passengers:</u>		
Allegiant	127,720	144,938
American ¹	100,155	98,575
Delta	144,026	137,241
United	43,972	44,364
Total	415,873	425,118
<u>Estimated Checked Bags:</u>		
Allegiant	47,256	53,627
American ¹	72,112	70,974
Delta	94,613	90,579
United	31,660	31,942
Total	245,641	247,122
<u>Departures:</u>		
Allegiant	845	987
American ¹	2,285	2,175
Delta	2,301	2,300
United	1,026	1,024
Total	6,457	6,486
<u>Landed Weight (1,000-lb units):</u>		
Allegiant	148,235	145,059
American ¹	97,181	103,761
Delta	174,179	177,231
United	51,411	46,450
Total	471,006	472,501

Note: Amounts may not add due to rounding.

¹ Includes US Airways activity prior to the merger of the carriers into American Airlines Group.

Source: Airport management records

Compiled by Trillion Aviation, July 2017

Table 2

TERMINAL SPACE (s.f.)		GARAA	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2017	2018
<u>Preferential Space:</u> ¹			
Allegiant		173	1,153
American		2,146	2,102
Delta		2,609	2,609
United		1,300	1,593
Total Preferential Space	[A]	6,228	7,457
<u>Joint Use Space:</u>			
Baggage Make-Up		3,192	3,192
Baggage Claim		4,124	4,124
Gates 1-3 Holdroom		8,517	8,517
Gates 4-7 Holdroom		6,751	6,751
Gates 4-7 Secure Enplanement Corridor		3,421	3,421
Total Joint Use Space	[B]	26,005	26,005
Total Airline Rented	[C=A+B]	32,233	33,462
<u>Other Rentable:</u>			
Ticket Counter (unassigned)		103	103
Queue (unassigned)		193	193
Vacant Airline Preferential Space		4,572	3,343
Concession Space		13,553	13,553
FAA Tower & Related Office Space		4,374	4,374
TSA Offices & Breakroom		2,418	2,418
TSA Passenger Security Screening		2,210	2,210
TSA Offices Adjacent to Passenger Screening		396	396
Total	[D]	27,819	26,590
Total Rentable Space	[E=C+D]	60,052	60,052
Public and Other Areas	[F]	47,797	47,797
Total Terminal Space	[G=E+F]	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, July 2017

Table 3

DEPRECIATION, AMORTIZATION, & CAPITAL OUTLAY **GARAA**
(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Depreciation:</u> ¹			
Gross Depreciation		\$4,684,011	\$4,700,000
Less: Grant & PFC Amortization		(3,215,285)	(3,200,000)
Net Depreciation	[A]	\$1,468,726	\$1,500,000
<u>By Cost Center (%):</u>			
Airfield Area	[B]	14.0%	14.0%
Terminal Building	[C]	30.0%	30.0%
Parking, Roadway, and Ground Trans.	[D]	33.0%	33.0%
General Aviation Area	[E]	16.0%	16.0%
Other Area	[F]	7.0%	7.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$205,622	\$210,000
Terminal Building	[A*C]	440,618	450,000
Parking, Roadway, and Ground Trans.	[A*D]	484,680	495,000
General Aviation Area	[A*E]	234,996	240,000
Other Area	[A*F]	102,811	105,000
Net Depreciation	[A]	\$1,468,726	\$1,500,000
<u>Amortization:</u>			
Gross Amortization		\$242,056	\$242,056
Less: Grant & PFC Amortization		(162,475)	(162,475)
Net Amortization	[G]	\$79,581	\$79,581

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

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>By Cost Center (%):</u>			
Airfield Area	[H]	100.0%	100.0%
Terminal Building	[I]	0.0%	0.0%
Parking, Roadway, and Ground Trans.	[J]	0.0%	0.0%
General Aviation Area	[K]	0.0%	0.0%
Other Area	[L]	0.0%	0.0%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[G*H]	\$79,581	\$79,581
Terminal Building	[G*I]	0	0
Parking, Roadway, and Ground Trans.	[G*J]	0	0
General Aviation Area	[G*K]	0	0
Other Area	[G*L]	0	0
Net Amortization	[G]	\$79,581	\$79,581
<u>Capital Outlay:</u>			
Capital Outlay	[M]	\$100,000	\$100,000
<u>By Cost Center (%):</u>			
Airfield Area	[N]	50.0%	50.0%
Terminal Building	[O]	50.0%	50.0%
<u>By Cost Center:</u>			
Airfield Area	[M*N]	\$50,000	\$50,000
Terminal Building	[M*O]	50,000	50,000
Capital Outlay	[M]	\$100,000	\$100,000

Note: Amounts may not add due to rounding.

¹ Depreciation is based on the prior year's actual depreciationSource: Airport management records
Compiled by Trillion Aviation, July 2017

Table 4

OPERATION AND MAINTENANCE EXPENSES	GARAA
(Fiscal Years Ending June 30)	

		Budget	Budget
		2017	2018
<u>By Category:</u>			
Personnel Services		\$5,038,181	\$5,283,529
Professional Services		356,700	368,950
Utilities		463,735	520,817
Promotional Activities		265,890	349,290
Maintenance and Repairs		260,450	251,800
Contracted Services		833,329	884,424
Insurance Expense		236,500	252,700
Materials and Supplies		458,561	452,760
Other Expenses		475,053	503,870
Total O&M Expenses	[A]	\$8,388,399	\$8,868,140
<u>By Cost Center (%):</u>			
Airfield Area	[B]	26.3%	26.3%
Terminal Building	[C]	47.7%	47.7%
Parking, Roadway, and Ground Trans.	[D]	12.4%	12.4%
General Aviation Area	[E]	9.7%	9.7%
Other Area	[F]	3.9%	3.9%
Total		100.0%	100.0%
<u>By Cost Center:</u>			
Airfield Area	[A*B]	\$2,203,386	\$2,329,399
Terminal Building	[A*C]	4,004,668	4,233,699
Parking, Roadway, and Ground Trans.	[A*D]	1,041,377	1,100,934
General Aviation Area	[A*E]	811,965	858,402
Other Area	[A*F]	327,004	345,705
Total O&M Expenses	[A]	\$8,388,399	\$8,868,140

Note: Amounts may not add due to rounding.

Source: Airport management records
 Compiled by Trillion Aviation, July 2017

Table 5**LANDING FEE AND REVENUE****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Airfield Requirement:</u>			
O&M Expenses		\$2,203,386	\$2,329,399
Less: Deicing Chemicals		(68,000)	(68,000)
O&M Reserve Requirement		67,247	63,007
Net Depreciation		205,622	210,000
Net Amortization		79,581	79,581
Capital Outlay		50,000	50,000
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$2,537,835	\$2,663,987
<u>Landing Fee Credits:</u>			
Non-Airline Revenue	[B]	\$80,000	\$77,000
Other	[C]	0	0
Total Credits	[D=B+C]	\$80,000	\$77,000
Net Landing Fee Requirement	[E=A-D]	\$2,457,835	\$2,586,987
Airline Landed Weight	[F]	471,006	472,501
Airline Landing Fee (pre-Revenue Share)	[G=E/F]	\$5.22	\$5.48
Revenue Share Credit	[H]	\$1,680,847	\$1,789,390
Adjusted Airline Net Requirement	[I=E-H]	\$776,988	\$797,598
Airline Landing Fee	[J=I/F]	\$1.65	\$1.69
Airline Landing Fee Revenue	[K=F*J]	\$776,988	\$797,598

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, July 2017

Table 6

TERMINAL RENTAL RATE AND REVENUE		GARAA	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2017	2018
<u>Terminal Requirement:</u>			
O&M Expenses		\$4,004,668	\$4,233,699
O&M Reserve Requirement		104,226	114,515
Net Depreciation		440,618	450,000
Net Amortization		0	0
Capital Outlay		50,000	50,000
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$4,599,512	\$4,848,214
<u>Terminal Credits:</u>			
Passenger-Related Security Charges		\$313,327	\$305,873
AirIT Landside Expenses		16,463	16,463
Loading Bridge Fees		62,378	64,249
Total Terminal Credits	[B]	\$392,167	\$386,585
Net Requirement	[C=A-B]	\$4,207,344	\$4,461,629
Rentable Space (s.f.)	[D]	60,052	60,052
Terminal Rental Rate	[E=C/D]	\$70.06	\$74.30
Airline Rented Space (s.f.)	[F]	32,233	33,462
Airline Requirement	[G=E*F]	\$2,258,298	\$2,486,096
Revenue Share Credit	[H]	\$869,755	\$993,487
Adjusted Airline Requirement	[I=G-H]	\$1,388,543	\$1,492,609
Airline Rented Space (s.f.)	[F]	32,233	33,462
Adjusted Airline Terminal Rate	[J=I/F]	\$43.08	\$44.61
Airline Terminal Rentals	[K=F*J]	\$1,388,543	\$1,492,609

Note: Amounts may not add due to rounding.

Source: Airport management records
 Compiled by Trillion Aviation, July 2017

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

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Loading Bridge Requirement:</u>			
Operating Expenses		\$62,378	\$64,249
Capital Outlay		0	0
Debt Service		0	0
Debt Service Coverage (25%)		0	0
Total Requirement	[A]	\$62,378	\$64,249
Total Departures	[B]	6,457	6,486
Loading Bridge Fee (per Departure)	[C=A/B]	\$9.66	\$9.91
Total Loading Bridge Revenue	[D=B*C]	\$62,378	\$64,249

Note: Amounts may not add due to rounding.

Source: Airport management records
 Compiled by Trillion Aviation, July 2017

Table 6B**JOINT USE CHARGES****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
Adjusted Signatory Airline Terminal Rate	[A]	\$43.08	\$44.61
<u>Joint Use Space (s.f.):</u>			
Baggage Make-Up	[B1]	3,192	3,192
Baggage Claim	[B2]	4,124	4,124
Gates 1-3 Holdroom	[C1]	8,517	8,517
Gates 4-7 Holdroom	[C2]	6,751	6,751
Gates 4-7 Secure Enplanement Corridor	[C23]	3,421	3,421
Joint Use Space		26,005	26,005
Baggage Make-Up & Claim Requirement	[D=A*(B1+B2)]	\$315,161	\$326,338
Gate Areas Requirement	[E=A*(C1+C2+C3)]	805,090	833,643
Total Joint Use Requirement	[G=D+E+F]	\$1,120,251	\$1,159,981
<u>Baggage Make-Up & Claim:</u>			
Baggage Make-Up & Claim Requirement (85%)	[H=D*0.85]]	\$267,887	\$277,387
Checked Bags	[I]	245,641	247,122
Baggage Make-Up & Claim Fee (per bag)	[J=H/I]	\$1.09	\$1.12
Baggage Make-Up & Claim Requirement (15%)	[K=D*0.15]	\$47,274	\$48,951
Number of Airlines	[L]	4	4
Baggage Make-Up & Claim Fee (per airline)	[M=K/L]	\$11,819	\$12,238
<u>Gate Area:</u>			
Gate Area Requirement (85%)	[N=E*85%]	\$684,327	\$708,597
Enplaned Passengers	[O]	415,873	425,118
Gate Area Charge per (enplaned pax)	[P=N/O]	\$1.65	\$1.67
Gate Area Requirement (15%)	[Q=E*15%]	\$120,764	\$125,046
Number of Airlines	[L]	4	4
Gate Area Fee (per airline)	[R=Q/L]	\$30,191	\$31,262
Total Joint Use Revenue	[G]	\$1,120,251	\$1,159,981

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, July 2017

Table 6C

TICKET COUNTER & QUEUE FEES (UNASSIGNED)		GARAA	
(Fiscal Years Ending June 30)			
		Budget	Budget
		2017	2018
Adjusted Signatory Airline Terminal Rate	[A]	\$43.08	\$44.61
<u>Ticket Counter and Queue Space (s.f.):</u>			
Ticket Counter		1,755	1,755
Queue Space		3,181	3,181
Ticket Counter and Queue Space	[B]	4,936	4,936
Ticket Counter and Queue Space Requirement	[C=A*B]	\$212,634	\$220,176
AirIT Landside Expenses	[D]	16,463	16,463
Ticket Counter and Queue Requirement	[E=C+D]	\$229,097	\$236,639
Enplaned Passengers	[F]	415,873	425,118
Ticket Counter & Queue Fee (unassigned)	[G=E/F]	\$0.55	\$0.56
Enplaned Passenger Use	[H]	127,720	144,938
Ticket Counter & Queue Fees (unassigned)	[I=G*H]	\$70,359	\$80,679

Note: Amounts may not add due to rounding.

Source: Airport management records
 Compiled by Trillion Aviation, July 2017

Table 7**PASSENGER-RELATED SECURITY CHARGE****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
Personnel-Related Security Cost	[A]	\$1,102,750	\$1,102,750
<u>Officer Deployment Hours:</u>			
Total Hours (12 Officers at 42 hrs/week; 2 officers at 40 hrs/week)		2,169	2,169
Holiday (11 Holidays)		(132)	(132)
Vacation (12 Days)		(144)	(144)
Training (8 hrs per month per officer)		(96)	(96)
Sick Leave (12 Days Allowed; 9 Days Average Used)		(108)	(108)
Available Hours/Officer	[B]	1,689	1,689
Number of Officers	[C]	14	14
Total Available Hours	[D=B*C]	23,648	23,648
Less: Admin Hours Total	[E]	(2,016)	(2,016)
Total Officer Deployment Hours	[F=D-E]	21,632	21,632
Personnel-Related Security Cost per Hour	[G=A/F]	\$50.98	\$50.98
<u>Passenger-Related Security Charge:</u>			
Terminal Airlines (18 hrs/day Security Checkpoint)		\$334,924	\$334,924
Less: TSA Reimbursement		(116,800)	(127,631)
Net Personnel-Related Costs	[H]	\$218,124	\$207,293
TSA Passenger Security Screening Space (s.f.)	[I]	2,210	2,210
Terminal Rental Rate	[J]	\$43.08	\$44.61
Security Checkpoint Space Costs	[K=I*J]	\$95,203	\$98,579
Passenger-Related Security Charges	[L=H+K]	\$313,327	\$305,873
Enplaned Passengers	[M]	415,873	425,118
Passenger-Related Security Charges per Enplaned Passenger	[N=L/M]	\$0.75	\$0.72
Passenger-Related Security Charges	[O=M*N]	\$313,327	\$305,873

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, July 2017

Table 8**COST PER ENPLANED PASSENGER****GARAA**

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Airline Revenue:</u>			
Terminal Rentals		\$1,388,543	\$1,492,609
Loading Bridge Fees		62,378	64,249
Landing Fees		776,988	797,598
Unassigned Ticket Counter Charges		70,359	80,679
Passenger Related Security Charges		313,327	305,873
Deicing Chemicals		68,000	68,000
Total	[A]	\$2,679,594	\$2,809,007
Enplaned Passengers	[B]	415,873	425,118
Cost Per Enplaned Passenger	[C=A/B]	\$6.44	\$6.61

Note: Amounts may not add due to rounding.

Source: Airport management records

Compiled by Trillion Aviation, July 2017

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

(Fiscal Years Ending June 30)

		Budget	Budget
		2017	2018
<u>Per Turn Requirement:</u>			
Joint Use Cost ¹		\$1,120,251	\$1,159,981
Loading Bridge Cost		62,378	64,249
Unassigned Ticket Counter Cost		229,097	236,639
Passenger Related Security Charge Cost		313,327	305,873
Deicing Chemicals Cost		68,000	68,000
Total	[A]	\$1,793,053	\$1,834,742
Total Departures	[B]	6,457	6,486
Average Per Turn Cost	[C=A/B]	\$277.69	\$282.88
Per Turn Fee for Exempt Carriers (0-70 seats)	[D=C*105%]	\$292.00	\$297.00
Per Turn Fee for Exempt Carriers (71-135 seats)	[E=C*125%]	\$347.00	\$354.00
Per Turn Fee for Exempt Carriers (136+ seats)	[F=C*140%]	\$389.00	\$396.00

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, July 2017



MEMORANDUM

TO: Members of the Airport Authority

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

DATE: August 11, 2017

ITEM DESCRIPTION – New Business Item B

Approval of Airline Operating and Space Use Agreement

BACKGROUND

The Airport Authority approved an agreement establishing the method for calculating the fees the airlines pay for operating at the Asheville Regional Airport (“Airport”) in June 2015. Only one airline executed the agreement while the remaining three chose not to sign, and became non-signatory carriers. After much deliberation without success the Authority Board implemented rates by ordinance in December 2016. As part of the approval process, the Board asked the airline carriers to continue negotiating in good faith with hope of finding a method that charges legacy carriers and ultra-low cost carriers fair and reasonably. After months of progress, a new rate method was developed and presented to the Board for approval. Since airline rates and fees are now governed by Ordinance, an operating and space use agreement is necessary to govern the terms and conditions of the airlines operating at Airport.

ISSUES

The airlines are in the process of reviewing the new operating agreement and staff does not expect any major changes to be requested by the airlines. Staff is requesting approval of this new agreement but will bring any major changes back to the board for approval before execution and implementation.

ALTERNATIVES

None.



FISCAL IMPACT

None. This is just an agreement that spells out the terms and conditions for the use of Airport. Rents and fees are established by Ordinance.

RECOMMENDED ACTION

It is respectfully requested that the Airport Authority Board resolve to (1) approve the proposed new airline operating and space use agreement pending no major changes from the airlines; and (2) authorize the Executive Director to execute the necessary documents.

OPERATING AND SPACE USE AGREEMENT

THIS AGREEMENT, made and entered into this ___ day of _____, 2017, (“Effective Date”) by and between the **GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY**, a body corporate and politic, organized and created by the General Statutes of North Carolina, whose address is 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732, hereinafter referred to as “Authority”, and

Name of Airline/Affiliate: _____

If an Affiliate, the name of the Airline you are an affiliate of:: _____

Address: _____

Telephone: _____ **Fax:** _____

Email: _____

Authorized Representative:

Name: _____ **Title:** _____

a _____ duly organized and existing under the laws of the State of _____, and authorized to do business in the State of North Carolina doing business as _____ and hereinafter referred to as “Airline/Affiliate.”

WITNESSETH

WHEREAS, Authority has the right to lease and license the use of property on the Asheville Regional Airport and has full power and authority to enter into this Agreement in respect thereof; and

WHEREAS, Airline/Affiliate, as duly authorized by competent governmental authority, is engaged in the business of certificated air transportation with respect to persons, property, cargo and mail at the Airport and elsewhere, or, is engaged in the business of certificated air transportation with respect to persons, property, cargo and mail at the Airport on behalf of an Airline or provides ground handling services under contract to Airline; and

WHEREAS, Airline/Affiliate requires the use of certain premises, facilities, rights and privileges in connection with its use of the Airport and with respect to the passenger Terminal Building and Authority is willing to grant the same to Airline/Affiliate upon the terms and conditions hereinafter stated.

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

1. Definitions.

In addition to the definitions contained elsewhere in this Agreement and the definitions contained in the Airline Rates, Fees & Charges Ordinance, as may be amended from time to time, the following terms shall have the following definitions:

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

"Airline or Airlines" 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.

"Operating and Space Use Agreement" or "Agreement" shall mean this Agreement or a substantially similar agreement that all airlines must execute to operate at the Asheville Regional Airport.

"Airline/Affiliate Parking Position" shall mean an area adjacent to the Terminal Building for aircraft parking, loading and unloading that may be assigned to an Airline/Affiliate.

"Airline Rates, Fees and Charges" or "Rates, Fees and Charges" shall mean the rates, fees and charges for any Fiscal Year calculated under this Agreement.

"Airlines' Revenue Landed Weight" shall mean the applicable Fiscal Year the sum of the products determined by multiplying each Revenue Aircraft Arrival by each of the Airline/ Affiliate by the applicable Certified Maximum Gross Landed Weight of the aircraft making the Revenue Aircraft Arrival.

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

"Assigned Space" shall mean those areas and facilities in the Terminal Building and those areas adjacent to and outside the Terminal Building which, pursuant to the Agreement, are assigned to such Airline/Affiliate for its Preferential Use.

"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".

"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.

"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.

"Holdrooms" means the gate seating areas currently situated in the Airport Terminal Building, as depicted on Attachment B., 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/Affiliate and the other Airlines for their Joint Use.

"Joint Use Space" means that common use space not assigned, which Airline/Affiliate uses on a joint use basis with other Airlines or tenants.

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

"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.

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

"Rates by Ordinance" means the Authority's board approved rate making methodologies (which shall be determined solely by Authority and may be modified from time to time in compliance with FAA rates and charges policy) and the resulting Rates, Fees and Charges paid by Airline/Affiliate.

"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.

“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.

“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.

In the event of any conflict between the definitions contained in this Agreement and the definitions contained in the Airline Rates, Fees & Charges Ordinance, the definitions contained in the Airline Rates, Fees & Charges Ordinance shall control.

2. Term.

The term of this Agreement will commence on the Effective Date and unless sooner terminated in accordance with the terms and provisions of this Agreement, shall continue until terminated by either party by giving sixty (60) calendar days’ prior written notice to the other party of its intention to terminate.

3. Use of the Airport.

The Authority is the operator of the Asheville Regional Airport (“Airport”) located in Asheville, North Carolina; and by executing this Operating and Space Use Agreement (“Agreement”), Airline/Affiliate evidences its intent to commence or continue the operation of its business of transporting passengers, cargo and/or mail by air (“Air Transportation Business”) at the Airport. . Each Airline/Affiliate shall execute an operating agreement with the Authority with terms consistent with the Agreement. Each Affiliate’s operations shall be counted and recorded jointly with AIRLINE’s and shall be at the same rate. Airline/Affiliate, and its Affiliates, shall have the right to operate its Air Transportation Business at the Airport, including the right to land and takeoff its aircraft, park its aircraft and load and unload its passengers, baggage, mail and air cargo at locations in the airport terminal (“Terminal Building”) at the Airport. Airline/Affiliate shall not conduct any business or commercial operation from or on the Airport that is not part of its Air Transportation Business

4. Use of Terminal Building.

Airline/Affiliate is authorized to use Preferential Use Space, Joint Use Space, and Airline Parking Positions at the Airport (i) as may be assigned to Airline/Affiliate by Authority, or (ii) as may be otherwise permitted herein.

(a) Assigned, Preferential Use Space. The following applies to any Assigned Space assigned to Airline/Affiliate by Authority hereunder. The Assigned Space shall consist of space in the Terminal at the Airport, as more

particularly described in the drawing attached hereto as **Exhibit "A"**. All space assigned on a Preferential Use basis is depicted on such **Exhibit "A"**. Airline's/Affiliate's use of such areas shall be limited to its core, travel business (e.g., processing passengers, sale of airline tickets) and not for third party solicitations and advertisements.

(b) Joint Use Space. Airline/Affiliate shall have the right, in common with other Airlines operating at the Airport, to use the common passenger screening, holdrooms, baggage make-up, baggage claim, loading ramps and bridges, and tug drive areas of the Terminal, as more particularly described in the drawing attached hereto as **Exhibit "B"**. Authority reserves the right to reassign any and all Joint Use Space at the discretion of the Executive Director of the Authority ("Director"). Airline's/Affiliate's use of such areas shall be limited to the enplaning and deplaning of its passengers and their baggage, and cargo in connection with the operation of Airline's/Affiliate's Air Transportation Business at the Airport. Airline/Affiliate agrees that its use of the foregoing areas shall be subject to the reasonable and non-discriminatory rules and regulations established from time to time by the Director, or such other person designated by Authority, to exercise functions with respect to the rights of the Authority under this Agreement.

5. **Rate Making Methodology.** Rates, Fees and Charges shall be established annually through Rates by Ordinance based on the procedure set by the Authority, in the Airline Rates, Fees & Charges Ordinance, which may be amended by the Authority from time to time.

Rates, Fees, and Charges. Airlines/Affiliates shall be charged all Rates, Fees & Charges in accordance with the Authority's current Airline Rates, Fees & Charges Ordinance, including the Schedule of Rates, Fees & Charges contained therein, which Ordinance and Schedule may be amended by the Authority from time to time.

Payment of Rates, Fees and Charges. Payment of Rates, Fees & Charges shall be in accordance with the provisions of this Section and the requirements of the Airline Rates, Fees & Charges Ordinance, which may be amended by the Authority from time to time. In the event of a conflict between this Section and the Airline Rates, Fees & Charges Ordinance, the terms of the Ordinance shall govern.

(a) Airline/Affiliate shall report to the Authority on or before the fifteenth (15th) day of each and every month the Airline's/Affiliate's actual operating activity for the prior month by submitting a written report, in the form of and included herein as **Exhibit "C"** or in such other form as the Authority may later require.

(b) If Airline/Affiliate fails to furnish Authority with its monthly operating activity by the date specified, Authority shall estimate Airline's/Affiliate's operating activity by any reasonable method. Airline/Affiliate shall pay such invoice without deduction or set-off no later than the first (1st) day of

the month immediately following the month in which Authority issues its invoice.

- (c) Upon the request of the Director, but not more than annually, Airline/Affiliate agrees to provide the Director with a certification of the then current CMGLW for each aircraft type then operated by Airline/Affiliate. The acceptance by Authority of any payments from Airline/Affiliate shall not preclude Authority from verifying the accuracy of Airline's/Affiliate's reports or be construed as a waiver of interest penalty due, if any.

(d) Except as specifically provided otherwise herein, and without invoice or demand therefore, Airline/Affiliate shall pay all Rates, Fees & Charges due to the Authority, in lawful money of the United States of America, by check made payable to Authority delivered or mailed to:

By U.S. Mail,
Express Mail or
Overnight Delivery:

Attn: Accounting Department
Greater Asheville Regional Airport Authority
61 Terminal Drive, Suite 1
Fletcher, NC 28732-9442

By Wire Transfer:

Bank of America
Skyland Branch
1896 Hendersonville Road
Asheville, NC 28803
9-digit routing number: 053000196
To Credit:
Greater Asheville Regional Airport Authority
Account Number 000683542370

(e) In the event this Agreement commences or terminates on other than the first or last day of any particular month, the amount due hereunder shall be prorated.

6. Obligations With Respect to Terminal Building and Assigned Space. The following applies to any space assigned by Authority to Airline/Affiliate hereunder:

(a) Cleaning, Maintenance and Damage of Terminal Building and Assigned Space.

- (i) Airline/Affiliate accepts the Assigned Space in its present condition, "as is". Airline/Affiliate shall, at its own cost and expense, maintain and repair Airline's/Affiliate's equipment, fixtures and personal property installed or located at its Assigned Space, including any

Airline/Affiliate-installed connections to Authority-installed utility systems and all Airline's/Affiliate's equipment attached or connected to Authority's utility systems whether or not any of the same is affixed or attached to such Assigned Space. Airline/Affiliate shall also provide cleaning, lavatory service and disposal from its aircraft to the Airport's triturator facility, the deicing of aircraft from deicing chemicals stored in tanks provided by Airline/Affiliate and located on an Airport-provided deicing storage area, and custodial maintenance and refuse removal services for its aircraft. Airline/Affiliate shall, at all times, preserve and keep Airline's/Affiliate's Assigned Space in an orderly, clean, neat and sanitary condition, free from trash and debris resulting from Airline's/Affiliate's operations, provided, however, this requirement shall not be construed to mean Airline/Affiliate shall have custodial cleaning responsibilities designated as Authority obligations pursuant to the paragraph below and as designated on **Exhibit "D"**. Airline/Affiliate shall keep, at its own expense, the bag makeup area and Airline/Affiliate Parking Positions free of trash, fuel, oil, debris and other foreign objects.

- (ii) Authority shall operate and maintain the Airport in a prudent manner and shall keep the Airport, including the Terminal Building, in good condition and repair. Authority's obligation with respect to the Terminal Building shall include responsibility for all roof maintenance and all structural maintenance and the maintenance of the heating, ventilating and air conditioning systems, the electrical system and the plumbing and sewage system up to any Airline/Affiliate improvement made to the Assigned Space or their attachment to Airline's/Affiliate's equipment, the Authority's installed passenger loading bridges, including the ground power and conditioned air equipment, if any, attached thereto, except for those parts of the Assigned Space and those maintenance obligations for which Airline/Affiliate is responsible pursuant to paragraph 8(a)(i) above. Authority's maintenance obligation with respect to the Terminal Building shall also include, except as otherwise specifically provided herein, custodial and general maintenance of Airline's/Affiliate's Assigned Space.
- (iii) Airline/Affiliate shall repair, replace or rebuild at its cost, or pay Authority the cost of repairing, replacing, or rebuilding, any damages to the Assigned Space or other portions of the Terminal Building caused by the acts or omissions of Airline/Affiliate, its employees or agents, reasonable wear and tear excepted. Any repairs, replacements or rebuilding provided by Airline/ Affiliate shall be subject to approval and inspection by Authority.

(iv) In the event Airline/Affiliate fails to perform its obligations hereunder, Authority shall have the right upon reasonable notice to Airline/Affiliate, but not the duty, to enter Airline's/ Affiliate's Assigned Space and perform such cleaning and maintenance activities. If such right is exercised, Airline/Affiliate shall reimburse Authority within thirty (30) calendar days of the date Authority issues its invoice for such service. At the end of the term or upon the earlier termination of this Agreement, Airline/Affiliate shall deliver possession of the Assigned Space and all of the Authority's fixtures and equipment in their original condition in all respects, reasonable wear and tear excepted. Airline/Affiliate agrees to reimburse Authority for the cost of any alterations, replacement, repairs or cleaning required to restore the same to such condition plus a fifteen percent (15%) administrative fee.

(b) Airline's/Affiliate's Signs. Airline/Affiliate shall not post any signs in the Assigned Space or at the Airport, which are in public view, without obtaining the Director's prior written approval in each instance.

(c) Airline/ Affiliate Space Improvements or Modifications. Airline/Affiliate shall be responsible, at its sole cost and expense, for making any improvements to its Assigned Space. Any improvement or modifications of such area by Airline/Affiliate is subject to prior written approval by the Director, which approval shall not be unreasonably withheld or delayed. Any unauthorized improvements made will constitute a default under the terms of this Agreement and be cause for termination. All space shall, upon expiration or termination of this Agreement, revert to the Authority in its original condition, normal wear and tear excepted. Airline/ Affiliate will retain ownership only of trade fixtures, equipment and other personal property installed and paid for by Airline/Affiliate.

(d) Airline/Affiliate Food or Beverage. Airline/Affiliate shall not permit, maintain or operate in the Terminal Building a gift shop, restaurant, bar or lounge, or in any other manner, provide for the sale or complimentary offering of merchandise, food and beverages at the Airport unless expressly permitted in writing by the Director. Nothing in this Section shall be deemed to prohibit or otherwise restrict Airline/Affiliate from installing one or more vending machines dispensing snacks or drinks so long as such machines are located in Airline's/Affiliate's Assigned, Preferential Use Space and is accessible to and for sale only to Airline's/Affiliate's employees and not for public consumption. Authority reserves the right to charge a concession fee based on the sales from Airline's/Affiliate's vending machines.

- (e) **Airline's/Affiliate's Property.** Any and all property belonging to, or brought onto the Airport by Airline/Affiliate, or any of its officers, employees, agents, invitees or licensees shall be at the sole risk of Airline/Affiliate. Subject to the prior approval of the Authority and the Airline/Affiliate may place and install trade fixtures and other personal property in the Assigned Space for use in connection with its operations hereunder, and the same shall be and remain the property of Airline/Affiliate, provided however, that Airline/Affiliate shall be responsible for the cost of repairing any damage to the Assigned Space or any other Authority improvements which are caused by the removal of any such trade fixtures and personal property.

Notwithstanding the foregoing, if Airline/Affiliate is at any time in default hereunder, then Authority shall have the benefit of any statutory liens on Airline's/Affiliate's property (excluding aircraft) located in the Assigned Space which are available to it under the laws of the State of North Carolina, and Airline/Affiliate shall not remove or agree to the removal of any of such property until all amounts secured by such liens have been paid and all other defaults under this Agreement have been cured.

- (f) **Authority's Communications and Shared Equipment.** Authority shall provide voice, data, and cabling services within the Terminal Building and Airline/Affiliate shall utilize the Authority's installed telephone system, data services, and cabling. Upon the installation of shared terminal equipment for passenger processing at the common-use airside gates, Airline/Affiliate shall be required to use the shared equipment in lieu of Airline/Affiliate-provided equipment, and shall pay fees for the use of the shared equipment as the Authority may establish to recover its installation and operating costs.
- (g) **Authority's Right to Enter.** Authority and its designated agents shall have the right upon notice to Airline's/Affiliate's local management, unless an emergency situation, to enter the Assigned Space at any reasonable time for any reasonable purpose.
- (h) **Utilities and Services.** Authority will furnish the Assigned Space and other areas within the Terminal with utilities and services, except that Authority assumes no responsibility for the interruption of such services for any reason whatsoever. The Director reserves the right at any time to charge separately for such services (e.g., due to extraordinary use).
- (i) **Taxes and Assessments.** Airline/Affiliate shall pay, on or before the

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

- (j) **Holding Over.** It is agreed that if Airline/Affiliate shall continue to occupy the Assigned Space or other areas of the Terminal after the *termination* of this Agreement, including a termination under the Default paragraph, and without the prior written consent of Authority, then such tenancy shall be a tenancy-at-sufferance, and the Authority shall be entitled to double the then current monthly rent payable by Airline/Affiliate to the Authority, and acceptance by Authority of any sums after any such termination shall not constitute a renewal of this Agreement or a consent to such occupancy, nor shall it waive Authority's right of re-entry or any other right available to it under the laws of the State of North Carolina or the provisions of this Agreement.
- (k) **Authority's Reserved Rights.** Authority reserves the right for itself and others to utilize and maintain existing utility easements over, under, across and through the Assigned Space, and to run water, electrical, telephone, gas, drainage and other lines over, under, across

and through the Assigned Space and to grant necessary utility easements therefor; provided, however, that the use and maintenance of such easements shall not materially adversely impact Airline's/Affiliate's use of or operations in its Assigned Space.

7. **Executive Director's Rights of Reassignment, Reallocation and Recapture.** The Director shall have the right from time-to-time and at any time during the term of this Agreement, upon reasonable notice to Airline/Affiliate and other Affiliates, which notice shall be 60 days prior and in writing, whenever practical, to assign, reassign, reallocate, and recapture space and establish priorities of use and preferences for Airline/Affiliate, or other Affiliate assigned Airline/Affiliate Parking Positions, gates, check-in counter/ticket lift locations, Assigned Space, or assigned facilities and equipment under this Agreement in order to accommodate a new entrant or other Airline or affiliate, or to achieve a more balanced and/or operationally efficient use of Airport space and Airline/Affiliate Parking Positions. If Airline/Affiliate initiates directly or by a change in its activity levels generates the need for a reassignment, reallocation or recapture of space or facilities, then all costs of such reassignment, reallocation and/or recapture of space shall be borne by Airline/Affiliate. Otherwise the costs of such reassignment, reallocation and/or recapture of space may be borne by Authority.
8. **Access.** Airline/Affiliate and its officers, employees, agents and invitees shall, subject to the rules and regulations of the Authority, have the right of ingress and egress to and from the public areas of the Airport and Terminal Building and any Assigned Space. Airline/Affiliate further agrees to observe and comply with any and all federal, state and local statutes, ordinances and regulations applicable to Airline/Affiliate, the Airport, the Terminal Building and any Assigned Space.
9. **Security.** Airline/Affiliate covenants and agrees to observe and comply with all applicable regulations governing security at the Airport which now exist or may hereafter be promulgated from time to time, and shall control the Assigned, Preferential Use Space and Joint Use Space so as to prevent or deter unauthorized persons from obtaining access to the air operations area of the Airport. Airline/ Affiliate agrees to pay, or guarantees payment of all lawful fines or penalties as may be assessed by the Authority or against the Authority for violations by Airline/Affiliate, its Airline/Affiliates or its employees of federal, state or local security laws, ordinances, rules or regulations, or Airport rules and regulations pertaining to security by Airline/ Affiliate, its Airline/ Affiliates or its employees within thirty (30) days after notice of such fines or penalties; provided that Airline/Affiliate may reasonably contest such fines or penalties. Authority may terminate security access of any employee of Airline/Affiliate for which Authority has just cause.

10. Release and Indemnification.

- (a) **Release.** Airline/Affiliate hereby expressly waives and releases Authority from any cause of action or right of recovery for compensation for any and

all loss or damage sustained by reason of any theft, fire, defect, deficiency or impairments of any of the services in or to the premises or the Airport, including, but not limited to, electrical power, gas, telephone service, steam, heating, air conditioning, water supply, drainage or sewage systems, or from wires leading to or inside of any space or structure, or by reason of any loss resulting from the failure of any such system or facility.

(b) Indemnity. Airline/Affiliate releases and shall indemnify, protect, defend and hold completely harmless the Authority, its members, officers, directors, employees and the City of Asheville, Buncombe County, Henderson County, agents, concessionaires, vendors and contractors (“Indemnified Parties”) from and against any and all liabilities (including without limitation, liability under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Sec. 9601, et seq., or any other federal, state or local environmental statute, ordinance, regulation or rule), losses, suits, claims, demands, judgments, fines, penalties, damages, costs and expenses (including all reasonable costs for investigation and defense thereof, including but not limited to court costs, expert fees and reasonable attorneys’ fees prior to or after institution of legal proceedings and at both trial and appellate levels) which may be incurred by, charged to or recovered from any of the foregoing Indemnified Parties, by reason or on account of:

(i) damage to or destruction of the property of the Authority, or any property of, injury to or death of any person, resulting from or arising out of Airline’s/Affiliate’s operations at the Airport, its use, occupancy, or maintenance of the Assigned Space or any improvements thereto, of Airline’s/Affiliate’s operations thereon, the areas surrounding the Assigned Space, or the service areas, parking areas, pedestrian areas, pedestrian walks or driveways in or around the Assigned Space, or any environmental matters relating thereto; or

(ii) the acts or omissions of Airline’s/Affiliate’s officers, agents, Airline’s/Affiliates, employees, contractors, subcontractors, invitees or licensees, regardless of where the damage, destruction, injury or death occurred; or

(iii) actions arising out of the failure of Airline/Affiliate or its Affiliates to keep, observe or perform any of the covenants or agreements contained in this Agreement to be kept, observed or performed by Airline/Affiliate or its Affiliates, except to the extent that such liability, loss, suit, claim, demand, judgment, fine, penalty, cost or expense was proximately caused solely by the negligence or willful misconduct of the Authority, or any person other than Airline/Affiliate, its Affiliates or its officers, agents, employees, contractors, subcontractors, invitees or licensees.

The Director shall give Airline/Affiliate reasonable notice of any such claims or

actions. The provisions of this paragraph shall survive the expiration or earlier termination of the term of this Agreement with respect to any acts or omissions occurring during the term of this Agreement.

11. Insurance Requirements. Airline/Affiliate shall, at its own cost and expense, purchase, carry and keep in force during the term of this Agreement, aviation and/or commercial general liability insurance protecting Airline/Affiliate, the Authority, its members, officers, employees and agents of each, each of whom shall be named as additional insureds, but only as respects to operations of the named insured, as their interests may appear, from and against any and all liabilities (except such items that cannot be insured, such as fines or penalties, to which Airline/Affiliate will be solely responsible) arising out of or relating to Airline's/Affiliate's operations on the Airport (whether such operations are by Airline/Affiliate or its Affiliates, contractors, or their agents, representatives or employees) and in such form and with such Airline/Affiliate or companies approved for issuance in the State of North Carolina, or companies of sound and adequate financial responsibility as the Authority may reasonably approve, with a combined single limit (or its equivalent) coverage per occurrence in an amount of \$200,000,000, except \$25,000,000 each occurrence and in the annual aggregate with respect to non-passenger Personal Liability, with a deductible reasonably acceptable to the Authority, with a waiver of any right of subrogation that the insurer may have against the Authority, with contractual liability coverage for Airline's/Affiliate's obligations to the Authority under this Agreement. This insurance shall provide that it is primary insurance as respects any other valid and collectible insurance the Authority may possess, including any self-insured retention or deductible the Authority may have, and that any other insurance the Authority does possess shall be considered excess insurance only. This insurance shall also provide that it shall act for each insured and each additional insured as though a separate policy has been written for each; provided, however, that this provision shall not operate to increase the policy limits of the insurance.

(a) Fire and Extended Coverage Insurance - Passenger Terminal. The Authority agrees to maintain in force during the term of this Agreement fire and extended coverage insurance on the passenger Terminal and any additions, alterations, or modifications thereto and on all contents owned by the Authority usual and incidental to the passenger terminal for an amount of not less than the estimated full replacement value thereof.

Airline/Affiliate shall purchase similar insurance on, or shall self-insure, its contents, improvements, modifications, equipment, furnishings, betterments and other incidental personal property.

The Authority and Airline/Affiliate hereby mutually release and discharge each other from all claims or liabilities arising from or caused by fire or other casualty covered by the aforementioned insurance on the passenger terminal or contents and personal property in, at or on the passenger Terminal. All such policies shall include a waiver of subrogation with

respect to the provisions of this Agreement to the extent permitted by each party's insurance carrier.

Airline/Affiliate shall not do or agree to be done any act or thing upon the Airport which will invalidate or conflict with the above policies.

(b) Automobile Insurance. Airline/Affiliate, without expense to Authority, shall obtain and cause to be kept in force at all times during the term of this Agreement, liability insurance in the form of primary and excess, or layered amounts of insurance covering the operation of Airline's/Affiliate's automobiles and non-owned and leased vehicles at the Airport, issued by a recognized company or companies of sound and adequate financial responsibility approved by the Authority (which approval shall not be unreasonably withheld) in an amount of \$5,000,000 for bodily injury and property damage liability for any one occurrence.

(c) Workers' Compensation and Employer's Liability Insurance. Airline/Affiliate shall also keep in force, at its expense, for the term of this Agreement, workers' compensation and Employer's Liability Insurance or similar insurance with a company or companies acceptable to the Authority affording the required statutory coverage and containing the requisite statutory limits in the case of Workers' Compensation and the following amounts for Employers' Liability - \$1,000,000 - Limit Each Accident, \$1,000,000 - Limit Disease Aggregate, and \$1,000,000 - Limit Disease Each Employee.

(d) Certificate(s) of Insurance. Upon commencement and without interruption throughout the term of this Agreement, Airline/Affiliate shall cause its insurer to furnish the Authority with a certificate(s) of insurance, in a form acceptable to the Authority, evidencing all of the insurance coverage required of Airline/Affiliate under the terms of this Agreement. Such certificate(s) shall provide that the policies of insurance referred to therein shall not be subject to cancellation, lapse or adverse material change except after delivery of written notice by certified or registered mail to the Authority at least thirty (30) days prior to the effective date of such cancellation or adverse material change. Airline/Affiliate, no later than thirty (30) days prior to the effective date of such cancellation, lapse or adverse material change shall provide the Authority with substitute certificate(s) of insurance complying with this Agreement.

(e) Other. Airline/Affiliate understands and agrees that the minimum limits of the insurance hereunder may become inadequate during the term of this Agreement, and further agrees that the Authority may raise such minimum requirements to then current airport industry standards.

If at any time Airline/Affiliate shall fail to obtain and maintain in force the insurance required herein, the Authority may, but shall have no obligation to, on written notice to Airline/Affiliate, obtain such insurance for Airline's/Affiliate's account and obtain reimbursement for the cost thereof thirty (30) days after receipt of Authority's invoice therefor. Notwithstanding the foregoing, the Authority may elect to terminate this Agreement immediately upon such failure by Airline/Affiliate.

12. Assignment and Subletting.

(a) Airline/Affiliate shall not sell, assign or transfer this Agreement or any of its rights and privileges hereunder or permit any such sale, assignment or transfer to occur by operation of law, without the Authority's prior written approval, which shall not be unreasonably withheld by Authority. No subleasing will be allowed if comparable space is available for lease from the Authority.

(b) For purposes of the paragraph above, an assignment shall include, if the Airline/Affiliate is a corporation (except if Affiliate is a corporation whose stock is publicly traded), the issuance or the sale, transfer or other disposition of a sufficient number of shares of stock in the Airline/ Affiliate to result in a change in control of the Airline/Affiliate or if the Airline/Affiliate is a partnership or joint venture, a transfer of an interest in the partnership or joint venture which results in a change in control of such entity.

13. Default. In the event that Airline/Affiliate shall fail to remit, timely, any payment due to Authority under this Agreement, or in the event that Airline/Affiliate or any of its officers, employees, agents, invitees or licensees violates any other term, covenant or condition of this Agreement and such violation continues for, or reoccurs, within a period of thirty (30) days after Authority has given written notice thereof to Airline/Affiliate, Authority may elect to terminate this Agreement and resume possession of any space assigned to Airline/Affiliate, thereafter using the same for its own purposes without having to account to Airline/Affiliate therefor. In addition, Authority shall have any and all other rights or remedies available to it as a landlord under the applicable laws of the State of North Carolina by reason of any such default, as well as all rights or remedies available to it in accordance with the Airline Rates, Fees & Charges Ordinance

14. Notice. Any notice permitted or required to be given to Airline/Affiliate hereunder shall be in writing and delivered either by hand to local Airline/Affiliate representative, by nationally recognized overnight courier service or by U.S. Certified Mail, Return Receipt Requested, postage prepaid, or by email (with receiver verification of receipt and/or written copy sent via U.S. mail) to the address contained on Page 1 of this Agreement or such other address as Airline/Affiliate may, by written notice, direct from time to time. Any notice permitted or required to be given to Authority hereunder shall be in writing and delivered either by hand to the office of the Executive Director, by nationally recognized overnight courier service or by U.S. Certified Mail, Return Receipt Requested, postage prepaid, or by email (with receiver verification of receipt and/or written copy

sent via U.S. mail) to the address as noted below, or such other address as Authority may request from time to time

Greater Asheville Regional Airport Authority
 Attention: Executive Director
 61 Terminal Drive, Suite 1
 Fletcher, North Carolina 28732
pr@flyavl.com, with an email copy to the Executive Director

Airline/Affiliate

15. Discrimination Not Permitted. Airline/Affiliate, for itself, its successors in interest and its assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (a) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Assigned Space or the Airport under the provisions of this Agreement; (b) that in the construction of any improvements on, over or under the Assigned Space and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination; and (c) that Airline/Affiliate shall use the Assigned Space in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the Department of Transportation-effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

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

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

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

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

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

16. Federal Aviation Administration & Transportation Security Administration Requirements. Airline/Affiliate shall comply with all applicable regulations of the Federal Aviation Administration relating to Airport security and shall control the Assigned Space so as to prevent or deter unauthorized persons from obtaining access to the air operations area of the Airport.

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

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

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

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

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

17. Hazardous Materials.

“Definitions”. As used herein, the following terms shall have the meanings hereinafter set forth:

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

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

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

(a) Airline/Affiliate Agreement. Airline/Affiliate agrees that neither it nor its

officers, agents, Affiliates, employees, contractors, subcontractors, sublessees, licensees or invitees shall cause any Hazardous Materials to be brought upon, kept, used, stored, generated or disposed of in, on or about the Airport, or transported to or from the Airport and such use is in strict compliance with all applicable Environmental Laws and the Authority's rules and regulations.

(b) Notice to Authority. Airline/Affiliate shall promptly contact the Authority in the event of any fuel spill or any other environmental spill caused by Airline/Affiliate, its suppliers or vendors, requiring reporting and containment, clean up or remediation under applicable Environmental Laws.

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

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

18. Rules and Regulations. Airline/Affiliate covenants and agrees to observe and comply with the established Ordinances, rules and regulations (which include but are not limited to airport "plans", such as storm water, security, and training requirements), minimum standard requirements for airport aeronautical services ("Minimum Standards") and airport master plans of Authority which now exist or may hereafter be promulgated from time to time governing conduct on and operations at the Airport and the development and use of its facilities, with such rules and regulations, Minimum Standards, and master plans being incorporated in their entirety by reference. Authority shall provide an opportunity for Airline/Affiliate to comment on any substantive proposed change to the rules and regulations, Minimum Standards, and/or master plans. Airline/Affiliate further covenants and agrees to observe and comply with any and all valid and applicable requirements of all duly-constituted public authorities and with all federal, state and local statutes, ordinances and regulations applicable to Airline/Affiliate, the Assigned Space or the Airport. Airline/Affiliate agrees to pay or reimburse Authority for any fines which may be assessed against Authority or which the Authority assesses as a result of the violation by Airline/Affiliate of any applicable security regulation at the Airport,

which payment shall be made by Airline/Affiliate within thirty (30) calendar days from receipt of Authority's invoice for such amount and documentation showing that payment of such fine is Airline's/Affiliate's responsibility hereunder. Notwithstanding the foregoing to the contrary, no material provision in the rules and regulations shall directly conflict with a material term and condition included in this Agreement.

19. Miscellaneous.

- (a)** Notwithstanding anything herein contained that may appear to be to the contrary, it is expressly understood and agreed that the rights granted under this Agreement are non-exclusive.
- (b)** In the event that Authority engages the services of an attorney to collect any sums past due hereunder from Airline/Affiliate, or in the event the Authority is the prevailing party in any action to enforce any provision of this Agreement or in any other legal proceeding at law or in equity arising hereunder or in connection herewith, Airline/Affiliate shall reimburse Authority for all reasonable costs, attorneys' fees and all other actual expenses incurred by the Authority in the defense and/or prosecution of such legal proceeding and in any appeals, including, but not limited to, fees and expenses for paralegals, investigators, legal support personnel and expert witnesses.
- (c)** This Agreement shall be governed by and construed in accordance with the laws of the State of North Carolina. It is agreed that if any covenant, condition or provision contained herein is held to be invalid by any court of competent jurisdiction, such invalidity shall not affect the validity of any other covenant, condition or provision herein contained.
- (d)** Airline/Affiliate hereby consents to the jurisdiction of the Courts of the State of North Carolina and of the Federal District Court for the District in which the Airport is located with respect to any action instituted by the Authority and arising against Airline/Affiliate under this Agreement, and waives any objection which Airline/Affiliate may have at any time to the laying of venue of any such action brought in any such court, waives any claim that such action has been brought in an inconvenient forum and further waives the right to object, with respect to such action, that such court does not have any jurisdiction over Airline/Affiliate. Airline/Affiliate further irrevocably consents to the service of process by certified or registered mail (airmail if overseas) or the equivalent (return receipt requested), or the service of process in any other manner permitted by law, in any action instituted by the Authority and arising against Airline/Affiliate under this Agreement.
- (e)** Whenever the consent of Authority, Airline/Affiliate is required pursuant

to this Agreement, such consent shall not be unreasonably withheld, conditioned or delayed. The written approval of the Director shall be sufficient in those matters where consent of the Authority is required pursuant to this Agreement.

- (f)** Airline/Affiliate shall make and maintain arrangements for ground handling or fueling services with one or more Fixed Base Operators or with an Airline/Affiliate that is permitted to render such services to Airline/Affiliate under existing agreements with the Authority or the Authority; provided, however, that Airline/Affiliate shall have the right to ground handle its own aircraft with its own employees. Airline/Affiliate shall itself, and require its ground handler, to make a diligent effort to comply with reasonable bag delivery standards promulgated from time to time by Authority and to enter into an operating agreement with the Authority.
- (g)** Airline/Affiliate shall have the right to provide ground handling services for other Affiliates operating at the Airport.
- (h)** For all regular operations, Airline/Affiliate shall ensure that all checked baggage is delivered to baggage claim within twenty-five (25) minutes of the flight arrival block time. ("Baggage Delivery Time)". The Authority shall notify Airline/Affiliate of failures to meet the established Baggage Delivery Time and Airline/Affiliate shall have thirty (30) days to ensure compliance with the Baggage Delivery Time. Failure by Airline/Affiliate to meet the established Baggage Delivery Time after the thirty (30) day period shall result in a fine for each occurrence. The Authority shall be reasonable in its enforcement of the established Baggage Delivery Time. The Baggage Delivery Time and fine may be amended by Authority as necessary to ensure operational efficiencies.
- (i)** Airline/Affiliate covenants and agrees that this Agreement shall be subordinated to the provisions of any existing or future agreement between Authority, the State of North Carolina, and the United States of America, relative to the development, operation and maintenance of the Airport, the execution of which has been or will be required as a condition precedent to the granting of federal funds for the development of the Airport or the continued operation and/or certification of the Airport. In the event that the Federal Aviation Administration or its successors shall require any modifications to this Agreement as a condition precedent to the granting of such federal funds, Airline/Affiliate shall promptly consent in writing to such modifications.
- (j)** Waiver by either party of strict performance of any provision of this Agreement shall not be a waiver or prejudice the party's right to require

strict performance of the same provision in the future or of any other provision.

(k) If any provision of this Agreement is held by final judgment of a court of competent jurisdiction to be invalid, illegal or unenforceable, such invalid, illegal or unenforceable provision shall be severed from the remainder of this Agreement, and the remainder of this Agreement shall be enforced

(l) This Agreement and the Airline Rates, Fees & Charges Ordinance, as may be amended from time to time, represent the entire agreement of the parties concerning the subject matter contained in this Agreement, and upon execution of the parties, terminates, cancels and supersedes all prior agreements between the Authority and Airline/Affiliate regarding such subject matter, except for any payments that may be due the Authority under any such prior agreement. Any representation or statements heretofore made with respect to such subject matter, whether oral or written, are merged herein. In the event of a conflict between this Agreement and the Airline Rates, Fees & Charges Ordinance, as may be amended from time to time, the Airline Rates, Fees & Charges Ordinance shall govern.

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

IN WITNESS WHEREOF, this Agreement has been duly executed by the parties on the day and year first above written and the parties intend to be legally bound by this Agreement.

GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY

ATTEST:

By: _____

(Corporate Seal)

Name/Title: _____

AIRLINE/AFFILIATE

ATTEST:

By: _____

(Corporate Seal)

Name/Title: _____

EXHIBIT A
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
OPERATING AND SPACE USE AGREEMENT

DIAGRAM AND AMOUNT OF ASSIGNED PREFERENTIAL USE SPACE

Preferential Use Space:

Ticket Counter	_____
Queue	_____
Office Space Corridors	_____
Operations Space	_____
Storage Space	_____
Curbside Check-in	_____
Baggage Service Office	_____
E-Ticket Kiosk	_____

Total Preferential Use Space (Sq. Ft.) _____

EXHIBIT B
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
OPERATING AND SPACE USE AGREEMENT

DIAGRAM OF JOINT USE SPACE

EXHIBIT C
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
OPERATING AND SPACE USE AGREEMENT

MONTHLY AIRLINE TRAFFIC AND VARIABLE FEE REPORT

EXHIBIT D
GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY
OPERATING AND SPACE USE AGREEMENT

MATRIX OF MAINTENANCE AND UTILITY OBLIGATIONS

	Glycol Storage Area	Lav Cart Facilities	Holdrooms	Ticket Counters	Ticket & Bag Service Offices	Operations Areas	Baggage Makeup	Baggage Claim	Aircraft Aprons	Tug Drives	Inbound Baggage Systems	Outbound Conveyor System	Jet Bridges Authority Owned
1. AIR CONDITIONING													
a. Maintenance	N	N	C	C	C	C	N	C	N	N	N	N	N
b. Operations	N	N	C	C	C	C	N	C	N	N	N	N	N
c. Chilled Air Distribution	N	N	C	C	C	C	N	C	N	N	N	N	N
2. HEATING													
a. Maintenance	N	N	C	C	C	C	C	C	N	N	N	N	N
b. Operations	N	N	C	C	C	C	C	C	N	N	N	N	N
c. Warm Air Distribution	N	N	C	C	C	C	C	C	N	N	N	N	N
3. LIGHTING													
a. Bulb Replacement	N	N	C	C	A	A	A	C	C	C	N	N	C
b. Maintenance	N	N	C	C	C	C	C	C	C	C	N	N	C
4. ELECTRICAL (DISTRIBUTION)	N	N	C	C	C	C	C	C	C	C	C	C	C
5. WATER													
a. Distribution	N	N	N	N	C	C	N	N	N	N	N	N	N
b. Fixtures (toilet-sinks-faucets-etc)	N	N	N	N	A	A	N	N	N	N	N	N	N
6. SEWAGE													
a. Distribution	N	C	N	N	C	C	N	N	N	N	N	N	N
b. Fixtures	N	N	N	N	A	A	N	N	N	N	N	N	N
7. MAINTENANCE													
a. Other Than Structure	A	N	C	C	A	A	A	C	C	C	C	A	C
b. Structure	A	C	C	C	C	C	C	C	C	C	C	C	C
c. Tug and Vehicle Doors	N	C	N	N	N	A	A	C	N	C	C	A	N
d. Passenger Hold Room Seats	N	N	C	N	N	N	N	N	N	N	N	N	N
e. Exterior	A	C	C	C	C	C	C	C	C	C	C	A	C
f. Markings	A	C	C	C	C	C	C	C	C	C	C	A	N
8. CUSTODIAL SERVICE	N	N	C	C	C	C	A	C	A	C	C	A	C
9. WINDOW CLEANING													
a. Exterior	N	N	C	C	C	C	C	C	C	C	N	N	N
b. Interior	N	N	C	A	A	A	A	C	N	C	N	N	C
10. REPAINTING	A	C	C	C	A	A	A	C	C	C	N	N	C
11. FLOOR & WALL COVERINGS	N	N	C	A	A	A	A	C	N	C	N	N	C
12. FIRE SUPPRESSION SYSTEM	N	N	C	C	C	C	C	C	C	C	N	N	N

A – AIRLINE Responsibility
C – GARAA Responsibility
N – Not Applicable



MEMORANDUM

TO: Members of the Airport Authority

FROM: Lew Bleiweis, Executive Director

DATE: August 11, 2017

ITEM DESCRIPTION – New Business Item C

Approval of the Award of Contract to LAZ Parking Georgia, LLC (“LAZ”) for the Management and Operation of Public Parking Facilities at Asheville Regional Airport

BACKGROUND

The current contract for the management and operation of public parking facilities at Asheville Regional Airport began May 1, 2008, for a term of ten years. The Authority has the right to terminate the agreement early. With the new parking garage coming online in November, staff thought it was more appropriate to terminate the existing contract early and re-bid the services rather than amend the existing agreement for only a short term of six months. Under that preconceived plan, a new Request for Proposals was issued on June 9, 2017 through advertisement on the Authority’s website and publication in both airport trade association publications. A pre-proposal conference was held on June 29, 2017. Proposals were due July 14, 2017. Six proposals were received. A selection committee made up of five senior staff members reviewed the proposals. The top two proposers were invited for in-person presentations and interviews on August 3, 2017.

Based on the responsiveness of proposal submittals, creativity, experience, and compensation, staff has ranked the top three proposers as follows:

<u>RANKING</u>	<u>FIXED FEE</u>	<u>PERCENTAGE FEE</u>
1. LAZ Parking Georgia, LLC	\$48,000.00	1.75%
2. Mapco Auto Parks, Ltd	\$53,610.00	1.78%
3. Republic Parking System, LLC	\$60,000.00	1.99%

New Business Item C



Upon authorization and approval from the Board, staff will negotiate and execute the final contract with LAZ. Should staff be unable to execute the contract in a timely fashion with LAZ, the negotiations with that firm will be formally terminated and negotiations will then be undertaken with the second ranked company. This process will be continued in the order of ranked companies until a contract is secured.

ISSUES

SP+, our current parking operator also manages the temporary shuttle operations for both the public and employees. Since SP+ is not the successful proposer, staff will need to work with them to continue this service until the garage is opened and the remote parking lots are transitioned back on airport.

ALTERNATIVES

None.

FISCAL IMPACT

The lowest percentage compensation and fixed compensation was submitted by Laz Parking. The amount of compensation would be the greater of a fixed compensation of \$48,000.00 or a percentage compensation of 1.75%. LAZ shall prepare and submit to the Executive Director an annual budget for his approval as stated in the Management Agreement. The term of the Management Agreement shall be for a period of five years. The Authority at its sole discretion may offer a five-year option.

RECOMMENDED ACTION

It is respectfully requested that the Authority Board resolve to (1) approve the award for Management and Operation of Public Parking Facilities at Asheville Regional Airport to LAZ Parking Georgia, LLC contingent on a successful negotiation of the agreement; (2) authorize staff to negotiate with the alternate proposers if negotiations for a final contract with LAZ are unsuccessful, and (3) authorize the Executive Director to execute all necessary documents.

**GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY**



**MANAGEMENT and OPERATION of PUBLIC
PARKING FACILITIES**

Asheville Regional Airport
Fletcher, North Carolina

Effective Date:

Company:

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Exhibit K	Performance Bond Form

**MANAGEMENT AGREEMENT
ASHEVILLE REGIONAL AIRPORT
PUBLIC PARKING FACILITIES**

THIS AGREEMENT is made and entered into as of the _____ day of _____, 2017, by and between the Greater Asheville Regional Airport Authority (“Authority”), a body corporate and politic in the State of North Carolina, having its office and principal place of business at 61 Terminal Drive, Suite 1, Fletcher, North Carolina 28732 and _____, a _____, having its office and principal place of business at _____, _____, _____ (“Manager”), pursuant to Authority Board action on _____, 2017.

WITNESSETH

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

WHEREAS, Manager is engaged in and has significant experience in the business of managing and operating airport public parking facilities; and

WHEREAS, based upon competitive proposals solicited and received, Authority has determined the proposal of Manager to be the best proposal received and has selected Manager to manage and operate the public parking facilities at the Airport; and

WHEREAS, Manager has demonstrated that it has or can provide the necessary management expertise, labor, materials, supplies, services and equipment to properly manage and operate said public parking facilities in accordance with the terms of this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants, obligations and considerations herein contained, the parties agree as follows:

ARTICLE I

Definitions

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

1.01 “Adjusted Gross Receipts” shall mean Gross Receipts less the deductions and allowances against Gross Receipts calculated pursuant to Section 6.02 of Article VI.

1.02 “Airport” shall mean the Asheville Regional Airport, located in Asheville, North Carolina.

1.03 “Amortization Payment” shall mean that amount representing the approved cost of any equipment or improvement purchased or made by Manager in

accordance with the provisions of Section 10.01 plus "allowable interest" on the unamortized balance of said cost recovered over the useful life of said equipment or improvement, or such shorter time as may be agreed by the parties, as approved pursuant to Section 10.01 and as shown on Exhibit C. For purposes of calculating this Amortization Payment, "allowable interest" shall be calculated by using as an interest rate the reported yield on five-year to maturity U.S. Treasury Bonds and Notes as reported in the applicable index published by the "Wall Street Journal" on the date nearest the date on which the equipment or improvement was placed in service.

1.04 "Budget" shall mean the Manager's annual budget approved for the Parking Facilities in accordance with Section 6.07.

1.05 "Authority" shall mean the Greater Asheville Regional Airport Authority, generally acting by and through its Executive Director, or a duly authorized representative of the Executive Director.

1.06 "Contract Year" or Agreement Year" shall mean each consecutive twelve (12) month period beginning _____.

1.07 "Executive Director" shall mean the Executive Director of the Asheville Regional Airport or a duly authorized representative acting on behalf of said Executive Director.

1.09 "Gross Receipts" shall mean that amount defined and calculated in accordance with Section 6.01.

1.10 "Manager's Compensation" shall mean the greater of Manager's Fixed Compensation or Manager's Percentage Compensation.

1.11 "Manager's Fixed Compensation" shall mean, for the First Contract Year hereunder, the sum of \$_____ per month. For the Contract Year beginning _____, the annual amount shall therefore be \$_____ for each Contract Year thereafter, the said amount shall be adjusted by the percentage change, if any, in the Consumer Price Index ("CPI") published by the U.S. Department of Labor, Bureau of Labor Statistics, All Cities Index, occurring between December of the prior calendar year and December of the then current calendar year. By way of example, assume that the first Contract Year begins November 1, 2017 and ends October 31, 2018. The CPI increase or decrease, as applicable as contemplated above shall thus be calculated with reference to the CPI number for July of 2017 as compared to July 2016. The resulting annual rate shall be limited to an amount not to exceed a five percent increase over the prior Contract Year. In the event that the basis for calculating the CPI is changed or publication of the Index is discontinued, Authority and Manager shall agree on a substitute index to adjust Manager's Fixed Compensation. Company's Fixed Compensation so determined from Contract Year to Contract Year shall be due and payable on a monthly basis. The CPI calculation shall be performed annually and Company's Fixed Compensation recomputed therefrom, and shall remain applicable until the next recomputation has been furnished to Manager. In the event the CPI calculation

for adjustment to Company's Fixed Compensation has not been furnished to Manager at the commencement of the applicable Contract Year, then the Company's Fixed Compensation for the then current Contract Year shall be brought current for each such Contract Year as soon as the amount of such is determined. Airport's failure or inability to deliver the necessary computation shall not constitute a waiver of Manager's right to the full Company Fixed Compensation for the entire Contract Year that the same are due. Airport shall provide such computations at its earliest convenience to Manager.

1.12 "Manager's Percentage Compensation" shall mean that amount which is the product determined by multiplying Annual Net Operating Revenue plus the Amortization Payment by _____ percent, if any.

1.13 "Net Operating Revenue" shall mean Adjusted Gross Receipts less Reimbursements.

1.14 "Operating Equipment" shall mean that equipment, other than Parking Equipment, provided by the Authority or by Manager, at the request or upon approval of the Authority, necessary for the maintenance and operation of the Parking Facilities; the Operating Equipment, if any, as of the execution date of this Agreement being listed on Exhibit B to this Agreement.

1.15 "Parking Charges" shall mean those parking charges adopted and authorized by Authority from time to time and listed on Exhibit D, which Exhibit may be modified from time to time.

1.16 "Parking Equipment" shall mean that parking and revenue control equipment provided by Authority, or by Manager at the request or upon approval of the Authority, including but not limited to equipment to control the entrance and exit of automobiles and other authorized motor vehicles to and from the Parking Facilities and to dispense tickets, count entrance and exits, receive and account for receipts from parking; the Parking Equipment under this Agreement as of the execution date hereof being listed on Exhibit B to this Agreement.

1.17 "Parking Facilities" shall mean those improved and unimproved areas of land, including the improvements presently thereon, or hereafter constructed thereon, provided and assigned by Authority from time to time under this Agreement, for the entrance, exit and parking of automobiles and other authorized motor vehicles of passengers, patrons, tenants and other users of the Airport; the improved and unimproved areas of land provided and assigned as of the execution date of this Agreement being depicted on Exhibit A to this Agreement.

1.18 "Protected Information" shall mean all data and information, in written or other tangible form, or in electronic or non-tangible form, whether or not designated as confidential, but treated as confidential by the Airport including, without limitation: PCI data, including all credit card, debit card and account information protected under the PCI-DSS, PA-DSS, PTS and related payment card industry standards.

1.19 "Reimbursements" shall mean those reasonable and necessary direct payroll expenses, fringe benefits, maintenance and operating expenses and Amortization Payments authorized under this Agreement, as further described in Section 5.01 of Article V and included in Manager's Annual Budget approved by the Authority's Executive Director. Reimbursements shall not include any cost or expense covered within Manager's Compensation or any cost or expense incurred by Manager as a result of Manager's intentional misconduct, negligence, violation of law, breach of any term or condition of this Agreement, any penalty, charge or the amount of any liquidated damages payable by Manager under this Agreement, or any cost or expense resulting from Manager's indemnity obligations under this Agreement.

1.20 "Site Manager" shall mean Manager's site manager for the Parking Facilities recommended by Manager and approved by Authority pursuant to Section 3.04 hereof, and who shall be assigned to and located at the Airport.

1.21 "Terminal Complex" shall mean those areas of the Airport comprising the terminal building, terminal curbside and walkways, the terminal's enplaning and deplaning roadway, other appurtenances adjacent to the terminal building necessary for the landside movements of passengers and vehicles, and auxiliary remote parking facilities for employee or passenger use as may exist on a temporary or permanent basis.

ARTICLE II

PARKING FACILITIES AND EQUIPMENT

2.01 Parking Facilities Authority hereby makes available to Manager the Parking Facilities, and the parking spaces therein, described in Section 2.02 below and depicted on Exhibit A, solely for the purpose of providing the parking services specified herein.

2.02 Description of Facilities The Parking Facilities shall be comprised of the vehicle parking areas serving the Terminal Complex of the Airport, as shown on Exhibit A, including the surface short-term lot, all surface long-term parking lots, parking garage and parking improvements situated therein, including paving, sidewalks, curbs, lighting, marking, signage, landscaping, electrical and drainage systems. Parking facilities shall not include the Rental Ready Lot nor the Employee Lot as needed for daily employee parking.

2.03 Changes And Additions to Parking Facilities Authority reserves the right, at any time it deems appropriate or necessary, to alter, change, improve, decrease, remove from or add to the Parking Facilities, including, but not limited to, the right to add, temporarily or permanently, additional parking areas, lots, and parking structures to the Parking Facilities to be operated hereunder. If any of the other aforesaid facilities are added to the Parking Facilities of this Agreement, Manager agrees to manage and operate the same under this Agreement for the same Reimbursements and Manager's Compensation as provided for in this Agreement. If improvements to current Parking

Facilities require the temporary or permanent relocation of vehicles or parking, Manager agrees to provide whatever services are necessary to block off parking area, assist in providing for alternative parking areas and provide a vehicle free work site for Authority's contractor(s).

2.04 Master Plan Parking Facilities Without limiting the generality of the foregoing, Manager also acknowledges and agrees that it is aware that Authority has conducted Master Plan Updates for the Airport and that additional recommendations may include the proposed construction of additional parking garage facilities which qualifies for tax exempt financing. Therefore, there is a possibility that the Authority may elect to construct a parking garage facility during the term of this Agreement. If such a facility is constructed which qualifies for tax-exempt financing, Authority may, at its sole and exclusive option, require the Manager to negotiate in good faith with Authority for an amendment to this Agreement to operate the garage facility. The amendment shall be on the same general terms and conditions as the existing Agreement, except as may be necessary to meet any applicable financing requirements or laws.

2.05 Access to Parking Facilities Authority hereby provides to Manager the right of ingress and egress with respect to the Parking Facilities, to the extent necessary, for the purpose of managing, maintaining, and operating the Parking Facilities.

2.06 Parking Equipment

A. Authority hereby authorizes Manager to utilize and operate the Parking Equipment and Operating Equipment described in Exhibit B and situated within the Parking Facilities for its use in the management, maintenance and operation of the Parking Facilities.

B. Authority also authorizes Manager to utilize and operate such additional Parking Equipment and Operating Equipment and additions and improvements to the Parking Facilities as may hereafter be installed or made or purchased by Authority or by Manager, with the approval of Authority, under the provisions of Section 10.01 of Article X hereof, subject to the addition of same to Exhibits B and C to this Agreement.

2.07 Utilities Except as otherwise provided for herein, all utilities required at the Parking Facilities shall be provided by Authority and Authority shall pay the utility charges for the same directly to the utility provider. Notwithstanding the foregoing, Manager shall arrange with Authority to be included on the Authority's VOIP telephone system. Manager shall provide Site Manager a number of cell phones, acceptable to the Authority, and pay for the monthly telephone charges and include such cost as a Reimbursement.

2.08 Manager's Acceptance of Facilities and Equipment Manager hereby acknowledges that it has examined the Parking Facilities and Parking and Operating Equipment, including the furniture for the toll plaza office, as they exist on the commencement date hereof and accepts the same for use "as is" in their present

condition.

ARTICLE III

MANAGEMENT AND OPERATION OF PARKING FACILITIES

3.01 Retention of Manager Authority hereby retains Manager to manage and operate the Parking Facilities at the Airport described in Article II hereof and those additional parking facilities as may be designated in writing by the Authority's Executive Director, including temporary or permanent satellite facilities, when and if established, and assigned by the Executive Director. Manager hereby agrees to manage and operate said Parking Facilities in accordance with all terms and conditions of this Agreement, including but not limited to the policy, operational, maintenance, personnel, cash handling and revenue control procedures set forth in Manager's Policies and Procedures Manual developed by Manager and approved by the Executive Director pursuant to paragraph C of Section 3.05 of this Agreement or the terms and conditions and exhibits to this Agreement.

3.02 Policy and Obligations Governing Agreement Manager hereby acknowledges and agrees that it is aware that in entering into this Agreement with Manager, the Authority has charged Manager with the responsibility and duty to be a proactive management resource to the Authority, assuming the primary management role in planning, providing, managing, scheduling, equipping, operating and maintaining public parking facilities, services and resources for and on behalf of the Authority. In furtherance of this responsibility to Authority, Manager agrees to provide the planning, technical, marketing and customer service expertise and financial and operational management expertise, and the personnel, labor, materials, supplies and equipment to maintain and operate the Parking Facilities as follows:

A. **Parking Charges** Manager shall charge and collect on behalf of Authority and account for and deliver to Authority, in accordance with the requirements of Article VI hereof, all monies paid or payable as Parking Charges established by Authority for the use of parking spaces at or in the Parking Facilities. The Parking Charges established by the Authority as of the execution date of this Agreement are shown on Exhibit D. Authority shall have the right to increase or decrease Parking Charges at any time upon seven days prior written notice to Manager. Manager shall, at Authority's request, prepare and submit to Authority its recommendations for adjustments to Parking Charges, including financial analyses supporting the recommendation. Manager shall permit no unauthorized free use of the Parking Facilities and shall not charge any more or any less than the amounts indicated in the currently effective Parking Charges. Manager shall promptly refund to the patron the amount of any overcharge.

B. **Credit Cards** Manager shall acquire the necessary card readers, processing equipment and telephone service and make necessary contract arrangements to use VISA, MASTER CARD, AMERICAN EXPRESS, and DISCOVER CARD and such other credit cards as may be requested by the Authority or proposed by

Manager for the payment of Parking Charges by patrons. The cost of said equipment, transaction fees, if any, the payment of credit card discounts and the deposit of receipts from said transactions to "Gross Receipts" shall be subject to the written instructions and approval of the Executive Director. Notwithstanding the foregoing, Authority reserves the right to negotiate and implement such credit card arrangements for the Parking Facilities directly with the involved credit card company and in such case Manager shall operate the system established in accordance with the procedures and arrangements negotiated by Authority.

Manager shall ensure compliance with Payment Card Industry (PCI) Security Standards Council (SSC) Data Security Standards (DSS). Manager shall be responsible for any and all financial or other liability caused by Manager's breach of Protected Information including, but not limited to, credit card and debit card information. Such liability shall include, at a minimum, all costs associated with the notification of affected parties, credit report analysis and monitoring, any associated attorney fees, and any applicable call center service and public relations expenses. Manager shall comply with all applicable federal or State privacy or data protection statutes, rules, or regulations governing Manager's activities pursuant to this Agreement; provided, however, that prior to giving notice under any applicable reporting requirement, Manager shall first notify the Director of Information Technology within one hour of Manager's discovery of the data breach or unauthorized access to the Airport systems, whether or not the breach resulted in the loss of Protected Information.

C. Parking Contract with Patrons The contract with each operator of a motor vehicle for entry into the Parking Facilities shall consist solely of a pre-numbered, automatically dated and time-stamped, and/or encoded, parking ticket which shall be issued by the Parking Equipment to the operator of each motor vehicle upon its entrance into the Parking Facilities and which ticket shall contain only such terms, conditions, and provisions as the Authority shall approve in writing and no other provisions whatsoever.

D. Authority Permits, Validations, Free Parking Authority shall have the right to waive Parking Charges at the Executive Director's discretion for guests and others using the Parking Facilities by stamping their parking ticket in an authorized manner, to provide free or reduced fee parking through permits or through other validation procedures established by the Executive Director, and to issue permits, with or without fee, to limousine and ground transportation operators to park within the Public Parking Facilities. All tickets issued and redeemed related to all the afore-referenced free, discounted, validated and permit parking shall be reported and strictly accounted for by Manager in the manner prescribed by Authority. Neither Manager nor its Site Manager shall have the authority to authorize, contract for or otherwise allow free, discounted or permit parking within the Parking Facilities. Prior to the execution of this Agreement, the Executive Director shall delineate and provide to Manager the Authority's directive with respect to all such free, discounted, validated and permit parking, and update said directive from time to time for changed circumstances. Manager shall follow such directive and controls in handling such parking transactions and incorporate the same

into Manager's approved Procedures Manual, including directives.

E. Parking Space Availability Manager shall constantly monitor the availability of space within the short-term, long-term, garage, and overflow lots of the Parking Facilities to insure the constant availability of space and shall plan, sign, implement and operate temporary accommodations or operations for holidays and peak travel periods when additional parking demand occurs. Manager shall also monitor the Parking Facilities for abandoned and stolen vehicles, shall notify Authority of the same and shall handle said vehicles in accordance with procedures approved by Authority and included in Manager's Procedures Manual, including directives.

F. Handicapped Parking Manager shall take appropriate action to assure that adequate parking spaces are reserved for use of handicapped persons; that such spaces are properly designated as such; that its snow removal operator shall not block such spaces or access to and from such spaces; and Manager shall use its best efforts to ensure that such spaces are used only by bona fide handicapped persons. Manager shall be responsible for notifying the Authority's Airport Public Safety Department of any unauthorized parking in space designated for the use of handicapped persons.

G. Towing and Emergency Assistance Manager shall continuously maintain the services of a third party contractor to: (1) remove patron's vehicles from the Parking Facilities or move vehicles within the Parking Facilities in an emergency or in a situation where parked vehicles block traffic, and (2) conduct, or arrange through said contractor, emergency services for parking patrons including, as a minimum, the ability to start vehicles with dead batteries, change and inflate flat tires, open doors of vehicles with keys locked inside, and provide enough fuel for out-of-fuel vehicles to be driven to the nearest service station. Manager shall insure that rates charged for these emergency services are consistent with rates normally charged in the vicinity of the Airport for similar services, and the same shall be subject to the written approval of the Executive Director.

H. Public Parking Information Manager shall be responsible for informing the public of the parking services and Parking Charges applicable to the Parking Facilities and advertising and promoting the Parking Facilities when and as directed to do so by the Executive Director. All logos, copy, materials and methods used in advertising and promotion shall be subject to the prior written approval of the Executive Director. Manager shall obtain and list in the white pages of local area telephone directories, or other such commonly used media, a telephone number for the Airport Parking Facilities. Said listing shall be included within the listing for the Airport.

I. Shuttle Bus Operation Manager shall be responsible for providing shuttle bus service to and from the passenger terminal building, and Parking Facilities when requested by the Executive Director. The shuttle buses will travel throughout the Parking Facilities, when in use, and drive each lane of the parking lot to load and unload passengers. Customers will be delivered to the Terminal Building. Customers leaving the Terminal Building will be returned to the parking lot of their choosing. Each shuttle bus will be equipped with a wheelchair lift and be capable of transporting a single wheel

chaired passenger. So long as Manager is diligent in oversight of such Shuttle Bus Operation functions, in Executive Director's reasonable discretion, out of pocket costs incurred in connection with such Shuttle Bus Operation, for lease, fuel, maintenance and repair costs, shall be reimbursed by the Authority. Manager shall promptly correct any Shuttle Bus Operation deficiencies identified by Executive Director including but not limited to any habits or practices involving the operation of the Shuttle (unsafe driving, lack of courtesy to patrons, damage to patrons' automobiles or Authority Facilities, etc.).

Manager shall be responsible for providing employee shuttle bus service to and from a remote employee parking lot, if established by the Executive Director. Employees shall be picked up and dropped off at the drive lane just north of the Terminal Building's main curb or such other location that may be designated by the Executive Director. Executive Director shall provide Manager a schedule for service encompassing the hours, schedule times, days of the week, etc., necessary to provide employee shuttle bus service. Authority shall provide the vehicle, fuel, and vehicle maintenance for the employee shuttle bus service. Manager shall provide everything else, including insurance, necessary for first class turn-key employee shuttle bus service.

J. Maintenance, Repair of Shuttle Bus Manager shall be responsible for the scheduling of routine maintenance and repair of the shuttle buses. If shuttle buses are owned by the Authority, Manager shall coordinate with the Authority's Director of Operations and Maintenance, or designee, to have the shuttle buses serviced and repaired in accordance with the recommendations of the bus manufacturer. The Director of Operations and Maintenance, or designee, will arrange for the pick-up and delivery of the shuttle bus for its routine service and/or repair. The cost of said maintenance and/or repair shall be the responsibility of the Authority. When a shuttle bus is removed from service for its routine maintenance and/or repair, there shall be a shuttle bus still in service to make certain continuous shuttle bus service is provided to customers and passengers. In the event shuttle bus service is interrupted and there are no busses available for service due to mechanical break downs, maintenance and/or repair, then a shuttle bus with wheelchair accessibility shall be leased by the Manager until the shuttle bus service can be restored. The cost of leasing an additional shuttle bus shall be considered a reimbursable expense, unless such repair or maintenance is due to the negligence of the Manager or its employees.

Manager shall be responsible for maintaining the proper fueling levels in the shuttle buses. Fueling of the buses shall be provided by the Authority, at its expense and shall be arranged by Manager contacting the Director of Operations and Maintenance and arranging to have the shuttle buses fueled at a time that is least disruptive to serving customers and passengers.

K. Shuttle Bus Drivers. Manager shall be responsible for the selection and hiring of the shuttle bus drivers. Prior to hiring a driver for the shuttle bus, Manager shall perform a background check on the driver candidate to determine the nature and quality of the candidates driving record. The candidate's background must show a valid North Carolina drivers license and the candidate must have an insurable driving record.

Post accident drug and alcohol testing shall be required of each shuttle bus driver immediately, but as soon as practicable following an accident which results in, a) personal injury or fatality, b) driver receiving a citation for a traffic violation, c) one or more vehicles incurs damage that requires towing from the site, or d) property damage reasonably estimated to exceed \$500.00.

3.03 Equipment and Signage

A. Equipment Manager shall procure, in accordance with the provision of Article X of this Agreement, and operate and maintain such current and future Parking Equipment and Operating Equipment as is necessary for the operation of the Parking Facilities.

B. Signs Manager shall procure, in accordance with the provisions of Article X, and install, operate and maintain such informational, directional, lot identification and Parking Charge signs as are necessary for the operation of the Parking Facilities and are approved by the Executive Director.

3.04 Personnel Manager shall recruit, hire and train such management, supervisory, cashiering, clerical and maintenance personnel as are necessary to manage and operate the Parking Facilities, and operate the shuttle buses, in accordance with the terms of this Agreement, including the initial manning requirements as are established in Exhibit G to this Agreement. Said personnel requirements shall specifically include the following:

A. Site Manager Manager shall select and appoint an experienced and qualified Site Manager whose duty and responsibility shall be the day-to-day management and operation of the Parking Facilities on behalf of Manager. The Site Manager shall not routinely perform cashiering functions. The Site Manager shall be vested with full power and authority to conduct the normal and ordinary operations of Manager at the Parking Facilities, including the authority to regulate the appearance, conduct and demeanor of Manager's employees and agents. Said Site Manager shall be assigned to a duty station or office at the Parking Facilities and be available during scheduled working hours. During his or her extended absence, a responsible subordinate with commensurate authority shall be in charge and available at the assigned duty station or office and acting as the designated "Assistant Site Manager". The Site Manager's residence must be in close proximity of the Airport to enable him or her to quickly respond to operational emergencies. He or she shall at all times be accessible by telephone or mobile phone for emergencies. In the event of the Site Managers absence, there shall be designated an acting or Assistant Site Manager who will take on the job tasks and authority of the Site Manager, during such absence. The Authority's Executive Director shall be notified by phone or e-mail of any absence expected to exceed one full day.

Said Site Manager, and any proposed replacement, shall be subject to the prior and continuing approval of the Executive Director. In the event that Manager shall replace such Site Manager without the express written consent of the Executive Director as to such replacement, then this agreement

may be terminated by the Authority upon notice to Manager.

B. Cashiers and Other Employees In addition to the Site Manager, Manager shall select, hire and train such full-time and part-time cashiering, clerical, maintenance and other support personnel as are necessary to meet the staffing and manning schedules for the operation of the Parking Facilities as are developed by Manager and approved by Authority or established by the Authority from time to time. Manager shall develop staffing levels and personnel schedules reflecting the demand created at the Parking Facilities by airline schedules and passenger loads, including season and weather-related fluctuations to the same. The initial staffing and manning schedule for the Parking Facilities at the commencement date of this Agreement, together with the salary and wage cost of said personnel, are delineated on Exhibits G and H. Cashiers, clerical, maintenance, drivers and other support personnel shall not be paid an hourly direct wage of less than \$1.00 above the North Carolina minimum wage laws per hour. This minimum hourly wage shall, upon notice from or approval of the Executive Director, be adjusted upwards on the anniversary date of any Contract Year in the event the Executive Director determines that the current level of wage rates in competitive service markets in the Asheville area necessitates such adjustment or said adjustment is required by Federal or State law.

C. Surveillance and Security Services Manager shall retain any surveillance and security personnel or services which may be requested by the Executive Director to work in conjunction with the Airport Public Safety Office in security oversight at the Parking Facilities, the cost of same being subject to Budget approval by the Authority's Executive Director.

D. Corporate Resources Manager shall provide, as part of its management obligations hereunder and without additional compensation, the resources of its corporate staff to support the management and operation of the Parking Facilities, including but not limited to resources to support signing, Parking Equipment and extraordinary operations problems.

E. Support for Development of Additional Facilities If requested by Authority, Manager shall provide to Authority such corporate planning, design, financing and construction support as Authority may request to assist it in designing and developing additional parking facilities for the Airport, including a parking structure, or a separate surface lot, if elected by the Authority. If requested by Authority, said services shall be provided by separate contract under such fee arrangement as the parties may agree to in writing.

F. Addition and Deletion of Personnel The Executive Director shall have the right, from time to time, and at any time, upon ten days written notice to Manager, to require Manager to add or delete personnel, whether permanent or part-time employees, from the initially approved staffing at the Parking Facilities, as shown on Exhibit G, and Manager shall comply with the Executive Director's instructions forthwith. Manager may recommend additions or deletions of personnel, subject to Executive

Director approval.

G. Oversight and Control of Personnel

1. Manager shall screen, select and train personnel that have the requisite public contact skills, technical ability, employment history, criminal history and personal background to perform the duties to which they are assigned. All personnel involved in handling cash must be bonded.

2. All personnel shall be uniformed, and shall wear identification badges or name tags. Uniform items are subject to the approval of the Executive Director.

3. Manager's employees at the Airport shall be courteous to customers and clean and neat in appearance at all times; employees shall not continue a telephone conversation, or use a personal cell phone device and handle customers at the same time.

4. Manager's employees shall not use improper language or act in a loud, boisterous or otherwise improper manner.

5. Manager's employees shall comply with Authority's smoking policy or regulation, as it now exists, and as it may be hereafter amended.

6. Manager's employees shall not drink an alcoholic beverage while on duty, take or be in possession of illegal drugs or be under the influence of a drug or alcoholic beverage while on duty.

7. Manager's employees shall not permit friends, family or others to come into the cashier's booth.

8. Manager's employees shall not bring any weapon upon the Airport premises nor possess a weapon while on the Airport premises.

9. Manager shall promptly discharge employees not meeting the standards imposed by Manager, this Agreement or the requirements of the Authority for personnel working at the Parking Facilities or the Airport.

10. Manager shall promptly report to the Executive Director any theft or suspected theft from the Parking Facilities or discharge of employee due to actual or suspected dishonesty.

11. Manager shall not permit any person to operate a licensed vehicle owned by or rented to Authority unless such person has a valid driver's license and an insurable driver's record. Manager shall provide department of motor vehicle record upon request and shall promptly notify Authority of any accident involving the shuttle bus operations.

3.05 Conduct of Operations and Quality of Service

A. Manager shall manage and operate the Parking Facilities in a first class manner utilizing in all respects the highest standards and best practices found in airport public parking operations in the United States. Manager shall employ practices which will maximize Gross Receipts and minimize expenses of operation, while remaining consistent with the high quality of service required for Airport customers and patrons by Authority . Manager shall operate the Parking Facilities in a manner so as to prevent congestion on the Airport access roads and it is expressly agreed that there shall not be a sustained back-up of exiting vehicles for longer than five minutes at any time. Should such back-up exist, Manager shall promptly open an additional exit lane, if any additional exit lanes are available.

B. Manager shall operate the Parking Facilities twenty-four hours per day, seven days per week, including Sundays and holidays, throughout the year, unless the executive Director shall change from time to time such hours of operation by notice, in writing, to Manager.

C. At least thirty days prior to the effective date of this Agreement, Manager shall develop a Procedures Manual with directives for the management and operation of the Parking Facilities, all provisions of which shall be subject to the written approval of the Executive Director. Notwithstanding the foregoing requirement, the Authority recognizes that certain items to be included within the Procedures Manual cannot be completed until certain information concerning the same are available or final decisions concerning the subject matter thereof are made. As soon as such information is available or such decisions are made, but not later than 90 days after the Contract term begins, Manager shall complete the Manual item or element forthwith and submit it to the Executive Director for approval. Said manual shall address, at a minimum, the following subjects: (1) Manager's conceptual approach for the management and operation of the Parking Facilities; (2) general operating and management policies; (3) customer service policies; (4) purchasing and procurement policies and procedures; (5) cash control, deposits, credit card accounting and audit procedures; (6) lot and revenue control procedures; (7) lost ticket procedures; (8) customer complaint and ticket adjustment procedures; (9) employee job descriptions; (10) employee wage and compensation schedules, including policies for longevity pay for employees; (11) employee code of conduct; (12) employee training guides; (13) employee schedules; (14) accident and incident procedures; (15) snow and ice control procedures (including a winter plan for the lots identifying areas for temporary snow storage prior to its removal from the lots, procedures for snow removal, procedures for treating slippery surfaces, procedures for hand-shoveling of snow, if required); (16) facilities maintenance procedures (including schedule and tasks to be performed daily, weekly, monthly, quarterly and annually, equipment to be used or leased, hours of work, number of employees required); equipment maintenance procedures (including schedule and tasks to be performed daily, weekly, monthly, quarterly and annually, as well as emergency repairs procedures/contracts); (17) emergency procedures; (18) procedures to identify and

handle abandoned and stolen vehicles; (19) location of Manager's office, and home and mobile phone numbers; (20) shuttle bus operating procedures; and (21) company personnel policies. It shall be the responsibility of Manager to continuously update the contents of the manual to ensure that at all times it reflects the most current policies and procedures for the management and operation of the Parking Facilities. All of said changes shall be subject to written approval by the Executive Director.

D. Manager shall handle customer complaints in accordance with the procedures established by Manager, approved by the Executive Director, and included in Manager's Procedures Manual approved by the Executive Director.

E. Manager shall develop competitive purchasing and procurement policies and procedures for the management and operation of the Parking Facilities to assure that Manager will obtain quality materials, supplies, services and equipment for the Parking Facilities at a competitive price. Said policies and procedures shall be subject to approval of the Executive Director and shall be included in Manager's Procedures Manual approved by the Executive Director.

3.06 Manager's Prohibitions

A. Manager shall not allow unauthorized motor vehicles, boats, campers, motor homes, or storage trailers to park or be parked in the Parking Facilities for storage purposes unrelated to passenger service.

B. Manager shall not permit the Parking Facilities to constitute a nuisance and shall not conduct its business in a loud, boisterous or otherwise improper manner so as to annoy, disturb or offend customers, patrons, concessionaires or tenants of Authority.

C. Manager shall not directly or indirectly run or operate a courtesy vehicle or in any way provide free passenger service to or from any motel, hotel or rent-a-car business or location. Manager shall not advertise in the Parking Facilities, or elsewhere at the Airport, any motel, hotel, overnight service or any other service or business provided by Manager.

D. Manager shall not advertise or allow advertising of any kind at or from the Parking Facilities.

E. Manager shall not alter, modify, improve or change the Parking Facilities without the prior written approval of the Executive Director.

F. Manager shall not divert or cause the diversion of any parking from the Airport. During the term of this Agreement and any renewal hereof, Manager agrees not to indirectly or directly own, operate, or have any financial interest in any automobile parking lot or structure within a five mile radius of the Airport.

G. Manager and its agents, employees, contractors and subcontractors shall conduct themselves in an orderly and proper manner so as not to disturb, annoy or offend others at the Airport. Upon notification by the Executive Director of any violation hereof,

Manager shall forthwith take all reasonable measures necessary to terminate the offensive, disorderly, or improper conduct.

H. Manager and its agents, employees, contractors and subcontractors shall at all times observe and comply with all Authority, local, state and federal laws, ordinances, regulations and policies.

I. Manager shall not install, maintain or operate or permit the installation, maintenance or operation of pay telephones, vending machines or any other coin-operated machine or device for the purpose of selling, offering for sale, or providing any merchandise, product or service upon the Parking Facilities. For the purposes of this provision, but without limiting the generality hereof, amusement, music and entertainment shall be deemed to be services. Authority reserves the right to install or have Manager install any of the afore-referenced equipment, machines or devices, and all income therefrom shall be paid to Authority.

J. Manager shall not post, install or erect any sign, placard or poster at the Parking Facilities or anywhere at the Airport without the prior written permission of the Executive Director. Such signs as may from time to time be permitted by the Executive Director shall be made, posted, maintained and removed in accordance with his or her approval and directions, with the cost thereof being an allowable expense hereunder. Authority shall have the right to remove unauthorized signs at Manager's sole cost and expense.

K. Manager agrees to observe and abide by all procedures, rules and regulations promulgated from time to time by the Federal Government or Executive Director concerning security matters, parking ingress and egress, and any other operational matters related to the Airport.

ARTICLE IV

TERM OF AGREEMENT

4.01 Term The term of this Agreement shall commence at 12:01 a.m., local time, on November 1, 2017, and terminate at midnight, local time, on October 31, 2022, subject to earlier termination as provided for in this Agreement. Thereafter, the Term of this Agreement may be extended at the sole discretion of Authority for up to an additional five-year period. This Agreement shall terminate no later than October 31, 2027.

4.02 Early Termination Notwithstanding the provisions of Section 4.01 above, Authority shall have the right to terminate this Agreement, without cause, at any time during the term by giving Manager 90 days advance written notice of said termination. Notice of contract award on any new agreement shall constitute notice whether 90 days is applicable or not.

4.03 Continuation After Term Should Manager continue to manage and operate the Parking Facilities, upon the expiration of the term, without notice of cessation

or termination by Authority, said continuation shall be deemed a month-to-month renewal of this Agreement terminable by Authority, without cause, upon 30 days written notice.

4.04 Transition Upon expiration or earlier termination of this Agreement, Manager agrees to cooperate fully with the Authority and with any successor manager chosen by Authority to ensure a smooth transition from Manager to such successor.

ARTICLE V

MANAGER'S REIMBURSEMENTS AND COMPENSATION

As consideration for Manager providing those services described in this Agreement, Manager shall be reimbursed and compensated as described in Sections 5.01 and 5.02 hereof.

5.01 Reimbursements Subject to the limits established in Manager's Annual Budget, as approved in advance and in writing by the Executive Director, Manager shall be reimbursed for any of the following costs it incurs in managing and operating the Parking Facilities ("Reimbursement"):

A. Direct salaries and wages, including overtime, of personnel while directly employed on-site in the management and operation of the Parking Facilities under this Agreement. Any overtime reimbursement requested from Authority shall be within the overtime allowance established in Manager's approved Budget and, upon request of Executive Director, may be required to be accompanied by an explanation of the need for such overtime.

B. The fringe benefit costs on direct salary and wage costs, allowable under Paragraph A above, including the cost of unemployment, excise and payroll taxes, contributions for social security and Medicare insurance, worker's compensation insurance, pension payments, hospitalization benefits and vacation and holiday pay, if any. Manager shall provide an estimated fringe benefit rate as part of Manager's Annual Budget for the prior written approval of the Executive Director. This estimated fringe benefit rate shall be subject to adjustment at year's end of each Contract Year after audit of Manager's actual direct expenses included within the calculation of Manager's fringe benefit cost for the Contract year. Manager shall be reimbursed for its allowable fringe benefit costs by multiplying the approved estimated fringe benefit rate times the total allowable direct salaries and wages under Paragraph A above.

C. Other allowable direct non-salary costs incurred by Manager for the management and operation of the Parking Facilities, which shall include the following:

1. costs for its operation of an on-site Airport office, including such items as office supplies, postage, cell phone expense, computer programming, on-site data processing costs, and furnishings;

2. the costs of maintaining Manager-owned and Authority-owned Parking

Equipment and Operating Equipment used in the operation of the Parking Facilities as approved by Authority and shown on Exhibit B;

3. the cost of all other on-site direct management and operating expenses, including, but not limited to, signage, snow removal and ice control, tickets and forms, uniforms, contract services, rental of equipment, annual audit expenses (required by this Agreement), lot maintenance (i.e., striping, sweeping, cleaning, repairs), service agreements, general supplies, taxes and licenses directly charged to the Parking Facilities site or operation, Authority approved bank and credit card service charges, utilities expense, if any, and such other reasonable and necessary direct non-salary costs approved in Manager's annual Budget.

4. Manager's approved Amortization Payment, if any, allowable pursuant to Section 10.01 hereof and shown on Exhibit C.

D. The net book value of the equipment and improvements acquired or installed by Manager pursuant to the provisions of Section 10.01 hereof which are reimbursable to Manager pursuant to the provisions of Section 10.03 hereof and the cost of any equipment or improvements acquired or installed by Manager pursuant to Section 10.01 hereof which are to be reimbursed Manager pursuant to the provisions of Section 10.04 hereof. Payments made to Manager pursuant to this paragraph shall not be considered Reimbursements for the calculation of Management Compensation.

E. No expenses other than those specified herein as Reimbursements shall be reimbursed to Manager. Manager's costs for insurance, which needs to be specially listed out by type and expense, performance guarantees, annual audits, fidelity bonds as well as overhead, corporate and regional office expenses and all indirect, non-site specific costs are covered within "Manager's Compensation" provided for in Section 5.02, including but not limited to the following: salaries and related costs and expenses of nonresident or indirect legal, audit, administrative, operations, bookkeeping and executive personnel of the Manager who provide indirect services to the Manager's operations at the facilities; business licenses and permits; franchise fees; assessments; bookkeeping fees; administrative fees; accounting fees, except for sales taxes and permit fees incurred on items and services purchased for the Parking Facilities; federal, state, and local income and personal property taxes incurred by the Manager or any individual of the Manager's operations; accounting and audit department costs; information system costs; travel expenses of home office or regional managers; general office expenses; entertainment, accommodations, or equipment; contract negotiation expense; costs of settlements of legal disputes involving human rights violations, legal claims and suits, including, without limitation, sexual harassment claims or environmental claims; claim management fees; leasing, maintenance or utility costs of other Manager facilities; the cost of any legal penalties, fines or tickets incurred by the Manager or the Manager's employees, agents or invitees; and all costs of working capital including those related to site operations. Reimbursement will not be made for any expense not included in Manager's approved Annual Budget for said Parking Facilities, as further described in

Section 6.07.

5.02 Manager's Compensation In addition to the Reimbursement allowable to Manager pursuant to the terms of Section 5.01 above, Authority shall allow Manager, on a monthly basis, as compensation to Manager for the month, the greater of the amount of Manager's Percentage Compensation for the month, calculated in accordance with the terms of this Article V, Article VI and Exhibit E, or: i) the monthly amount in effect for the First Contract Year, or ii) one- twelfth of the amount of Manager's Fixed Compensation for the each succeeding Contract Year.

5.03 Request for Reimbursement and Compensation Not later than five business days after the close of each month under this Agreement, Manager shall prepare and file with the Executive Director a written request for Reimbursement and Manager's Compensation in the format described in Exhibit E to this Agreement ("Request for Reimbursement and Manager's Compensation"). The request shall be certified by the Site Manager and Manager's senior finance department representative responsible for preparation of said request. The request shall be accompanied by a certified copy of Manager's payroll for the month, together with receipts for other Reimbursements as called for in Exhibit E. The Executive Director shall review and either approve or disapprove, in whole or in part, the amount of each Request for Reimbursement and Manager's Compensation within ten business days from receipt of each said request. The approval of said requests shall be subject to final year-end adjustments in accordance with Manager's annual reconciliation as specified in Section 5.04 hereof and Manager's annual audit as prescribed in Section 6.08 hereof.

5.04 Annual Reconciliation At the end of the First Contract Year and each Contract Year thereafter, if the total Manager's Compensation paid by the Authority for that Contract Year exceed the greater of 1) the Manager's Fixed Compensation for that Contract Year or 2) the amount of Manager's Annual Percentage Compensation for that Contract Year, such excess shall be deducted by Authority from the Manager's Compensation next thereafter due to Manager or shall be paid to Authority if the term shall have expired. If the total Manager's Compensation paid by Authority for such Contract Year is less than the greater of 1) the Manager's Fixed Compensation for such Contract Year or, 2) the amount of Manager's Annual Percentage Compensation for the Contract Year, Authority will remit the deficiency to the Manager, with the Manager's Compensation next thereafter due or shall be paid by Authority within ten business days, if the term shall have expired.

ARTICLE VI

GROSS RECEIPTS AND REPORTS

6.01 Gross Receipts "Gross Receipts" shall mean and include all monies paid or payable to Manager for the parking of automobiles and other authorized motor vehicles within the Parking Facilities at the Airport and revenue for services provided by Manager or any other revenue derived on account of the Manager's operation of the

Parking Facilities. Without limiting the foregoing, Gross Receipts shall expressly include (a) all monies actually collected from customers and patrons, including receipts from customer and patron credit card transactions; (b) all monies which, in accordance with the Parking Charges established and authorized by Authority for the use of the Parking Facilities, Manager should have collected from any customers or patrons; and (c) all other receipts received or accrued or paid or payable to Manager for any service provided at the Parking Facilities.

Manager shall collect any and all local sales, excise or other patron taxes which may be due and payable on account of Parking Charges or parking transactions at the Parking Facilities and, at Authority's election, shall either (a) deliver said receipts to Authority for transmittal to the taxing authorities, or (b) transmit such tax receipts directly to the taxing authorities along with appropriate tax returns.

6.02 Adjusted Gross Receipts The following deductions, exclusions and allowances shall be made against Gross Receipts to determine Adjusted Gross Receipts. Adjusted Gross Receipts shall not include that portion of Parking Charges on any parking ticket issued at the Parking Facilities which is validated as "free parking" or "adjusted parking" under a validation or charge adjustment procedure approved in writing by the Executive Director. Adjusted Gross Receipts shall not include those parking charges Manager should have collected and were not collected. Adjusted Gross Receipts shall not include, to the extent included in deposits or deposited with Gross Receipts, taxes that may be hereafter imposed by law which are separately stated to and paid by a customer or patron and which are lawfully required to be collected by Manager for a taxing authority, and directly payable by Manager to said taxing authority, parking overcharges, the amount of any deductions or transaction fees for credit card transactions, and all other deductions from or adjustments to Gross Receipts authorized in writing by the Executive Director. Any interest or authorized investment income earned on deposits of Gross Receipts shall not be includable in the calculation of Adjusted Gross Receipts, all of said interest or investment income being payable to the Authority.

6.03 Deposits Manager shall require its cashiers to prepare deposits and deposit slips, in accordance with the lot and revenue control procedures approved by the Executive Director and included within Manager's approved Procedures Manual prepared in accordance with the provisions of Paragraph C of Section 3.05 of this Agreement, for all Gross Receipts received during their respective shifts. Manager shall deposit said cashier-prepared deposits, intact, daily, in such bank or other depository account as the Executive Director shall, from time to time, require. Said deposits shall be made to a bank account as instructed by the Authority's Director of Finance. Manager shall provide the Authority's Director of Finance with a copy of all daily deposit slips covering such deposits by 4:00 p.m. of Authority's next business day. On weekends, holidays and nights, Manager shall deposit Gross Receipts in such bank's or other depository's night deposit vault. In the event that Manager shall fail to make a daily deposit of Gross Receipts, Manager shall pay a penalty equal to ten percent of the undeposited Gross Receipts for each 24 hour delay in making such deposit, which amount shall be payable

to Authority on demand. Authority shall reimburse Manager within 30 days of Manager's submission of Manager's Reimbursement and Compensation Request provided all required receipts and supporting documentation are in order.

6.04 Accounting Records Manager shall keep true and accurate books of account and records covering the Gross Receipts and expenses of operating and maintaining the Parking Facilities, including Reimbursements and Manager's Compensation, during the term and any renewal hereof and for three years thereafter. Said books of account and records shall be kept and preserved in hard copy, computer disc, microfilm or other media source acceptable to Authority.

6.05 Reports and Supporting Information

A. Manager shall prepare and file with the Authority's Director of Finance and the Director of Operations and Maintenance, by the due date therefor, those daily, monthly and annual reports ("Reports") regarding the operation and management of the Parking Facilities as called for in this Article VI and in the lot and revenue control procedures and the customer and patron complaints, claims, disputes and correspondence procedures approved by the Executive Director.

B. Manager shall also keep full and accurate records, books, summaries and data with respect to all collections of Parking Charges made or which should have been made by it hereunder, including the tickets issued, redeemed, lost, unaccounted for and any transactional information related thereto, which shall support the monthly Statements and Reports delivered to Authority, including the amount of any state or local sales, excise, or other consumer tax return records. Manager shall retain all such supporting documentation (including all parking tickets, transactional data and lost ticket reports) and shall make such documentation available to the Authority on request. Manager shall continue to retain all such Parking Charges documentation for such retention periods as are agreed to by Authority and Manager and included in the Procedures Manual. The making of any willfully false report or statement of any kind shall authorize the Authority to immediately terminate this Agreement.

C. Authority shall have the absolute right to copy and use for its benefit or the benefit of any successor operator, any and all reports and supporting information in any way related to the operation and management of the Parking Facilities or any transactions or parking therein. Manager shall prepare and provide to Authority, as and when requested, such other transactional and operational data regarding the management and operation of the Parking Facilities as the Executive Director may request from time to time.

6.06 Rights of Inspection and Audit Should Authority elect from time to time to inspect the books of account and records referenced in Section 6.04 or the Reports or any supporting information referenced in Section 6.05, Manager shall provide Authority and its representatives, upon three calendar days prior written notice, unlimited access to all of its books of account and records (including but not limited to those records

maintained on microfilm and computer disks), Reports and supporting information, all of which may be copied by Authority and its representatives. Without limiting the generality of the foregoing, the Authority or its representative shall have the right, upon three calendar days prior notice, at any time and from time to time, to audit all of the records of Manager relating to business transacted at or from the Airport including, but not limited to, those identified in Sections 6.04 and 6.05 and, upon request, Manager shall make all such information available for such examination at the Airport, all of which may be copied by Authority and its representatives. If delay or additional costs are incurred in connection with such audit, which are caused by Manager, Manager shall be responsible for such additional costs. If Manager so desires, and Authority concurs, the Authority or its representative may conduct the audit at a location, other than at the Airport, at Manager's expense, including, but not limited to, Manager's reimbursement of Authority's travel expenses, travel time, and other related expenses. None of the aforementioned expenses shall be included as a Reimbursement by Manager under the provisions of this Agreement. If an audit discloses that any of the books of account or records or Reports then being audited understated or overstated the Gross Receipts by two percent or more, overstated Reimbursements by two percent or more, or overstated Manager's Compensation by two percent or more, the costs and expenses of the audit, the amount due and interest on the amount due at the rate of 18 percent per annum from the end of the month in which such discrepancy occurred, shall be paid immediately to Authority by Manager. The understatement or overstatement shall also constitute a breach of this Agreement. If an audit discloses amounts due Authority below the threshold amounts aforesaid, the amount due, together with interest on the amount due at the rate of 18 percent per annum from the end of the month in which such discrepancy occurred, shall be paid immediately to Authority by Manager.

6.07 Manager's Annual Budget Prior to the commencement date of this Agreement, and thereafter by November 1st of each Contract Year, Manager shall prepare and submit to the Airport Director for his or her written approval an annual Budget of estimated Gross Receipts, Reimbursements, Manager's Compensation and estimated Net Revenue. The Budget shall be in the format described in Exhibit H attached hereto with appropriate supporting detail, including detail of direct salary and wage expense, fringe benefit costs and supporting schedules for major categories of operating expense comprising Reimbursements. The form and content of said supporting data will be agreed to by Authority and Manager as part of the initial Budget approval process under this Agreement. Once approved by the Airport Director, said approved Budget shall be the control limit on Reimbursements to Manager and Manager's Compensation under this Agreement. Said Budget shall also include a calculation of Manager's estimated fringe benefit rate for the Contract Year in question. Such annual Budget shall be effective on July 1 of each Contract Year. Manager shall prepare and file with the Authority by the fifteenth date of the month following the close of each quarter of a Contract Year hereunder, a year-to-date report on Manager's Annual Budget, including an analysis of positive and negative variances, if any.

6.08 Annual Audited Statement of Net Revenues Within 90 days of the end of each Contract Year during the term of this Agreement or any renewal hereof, Manager shall submit to the Executive Director, in form and content acceptable to her or him, a "Schedule of Gross Receipts, Reimbursements and Manager's Compensation" for the Asheville Regional Airport Parking Facilities, prepared in accordance with generally accepted accounting principles, accompanied by an opinion of an independent certified public accountant, which statement shall set forth the Gross Receipts, Reimbursements and Manager's Compensation for the prior year and as authorized under this Agreement. If any such statement discloses that additional sums are due Authority, Manager shall pay to Authority such additional sums with the submission of said statement to Authority at the office of the Executive Director. If any such statement discloses that additional sums are due Manager, Authority shall authorize such additional payment to Manager within ten days of receipt of said statement. The aforesaid statement shall be accompanied by the opinion of such independent certified public accountant in accordance with the provisions of Statement of Auditing Standards No. 62, Special Reports, as promulgated by the AICPA, in substantially the following form:

"We have audited the accompanying Schedule of Gross Receipts, Reimbursements and Manager's Compensation (as those terms are defined in the Management Agreement dated _____, 20__, between the Greater Asheville Regional Airport Authority and _____, (Manager) for the Asheville Regional Airport Parking Facilities for the twelve months ended _____. This Schedule is the responsibility of _____'s management. Our responsibility is to express an opinion on this Schedule based on our audit.

We have conducted our audit of the Schedule in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Schedule presentations. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the Schedule of Gross Receipts, Reimbursements and Manager's Compensation referred to above presents fairly, in all material respects, the Gross Receipts, Reimbursements and Manager's Compensation for the twelve months ended _____, as defined in the Management Agreement referred to above."

In addition to providing the above opinion, the auditor shall provide a supplemental management letter, in form and substance acceptable to the Executive

Director, reporting on the adequacy of Manager's internal controls in the operation of the Parking Facilities.

ARTICLE VII
MAINTENANCE AND REPAIRS
AND IMPROVEMENTS

7.01 Authority Maintenance and Repairs

A. Authority shall be responsible for all structural maintenance and repairs or replacements of garage, including external window washing, all surface areas comprising the Parking Facilities; the exit plaza facilities, including the canopy, islands, toll booths and the Manager's office; sidewalks, walkways; directional signs to, from but not within the Parking Facilities, and permanent fixtures and fixed improvements which comprise the Parking Facilities; electrical systems and service lines provided to the Parking Facilities and to Parking Equipment; for area exterior lighting within the Parking Facilities; for storm water and drainage systems within and to and from the Parking Facilities; and for plumbing and HVAC systems within the Manager's office and booths. Authority shall also be responsible for ordinary repairs and routine maintenance of the Authority owned shuttle buses and golf cart should this service be provided; ordinary repairs to plumbing and HVAC systems in Manager's office and booths; and the ordinary maintenance and repair of lot electrical, drainage and storm water systems and the lot lighting, including re-lamping. Authority will be responsible for crack-sealing, seal coating, repairing or overlaying of pavement, but Manager shall be responsible for clearing vehicles from areas to be maintained or rehabilitated. Authority shall be responsible for maintaining/replacing all full sized trees and arranging for the replacement of other plantings on its own initiative or the suggestion of Manager.

B. Authority may, at its option, from time to time, direct Manager to perform any maintenance, repair or replacement for which Authority is responsible hereunder, in which event Manager will be paid the cost of its performance as a Reimbursement in accordance with Section 5.01.

C. The cost of any repair, replacement or maintenance incurred by Authority, other than ordinary wear and tear as a result of Manager's negligence or intentional misconduct, or that of its subcontractors, shall be reimbursed to Authority by Manager and said cost shall not be allowable as a Reimbursement pursuant to Section 5.01.

7.02 Manager's Maintenance and Repairs

A. Manager shall be responsible for all maintenance and repairs to the Parking Facilities not otherwise the obligation of Authority under Section 7.01 above, the Parking Equipment and the Operating Equipment. Manager's obligations shall include, without limitation, all snow and ice removal from and treatment of all parking areas and

roadways within the Parking Facilities, including, the entrance and exit lanes of the Parking Facilities, sidewalks, ramps, and steps within the parking facility up to Terminal Drive, from whatever cause or source; cleaning and sweeping of pavement up to Terminal Drive, including entrance and exit lanes and sidewalks ramps and steps; lot striping and marking; if necessary; mowing, seeding, trimming and trash removal from grass islands and fertilized areas; daily trash removal from the garage, basic window cleaning and stainless steel polishing of the garage stair towers and elevators, daily sweeping of the vestibules and stairwells, and other daily requirements as set forth by the Authority within the parking facility, and grass areas around the parking facilities as indicated in Exhibit I, and the provision of and maintenance and repair of all parking signage within the Parking Facilities, the locator signs mounted on the light poles. Manager shall restripe and/or paint the stalls, lanes, fire lanes and directional surface markings of the short term, long-term and overflow lots of the Parking Facilities at such intervals during the term as may be recommended by Manager and agreed to or established by the Executive Director.

B. As part of its obligations to Authority, Manager shall have the duty to promptly notify the Authority's Director of Operations and Maintenance of any conditions or events which would necessitate Authority performing any of its maintenance, repair or replacement obligations under the above provisions of Section 7.01.

7.03 Authority's Right To Inspect Maintenance The Authority shall be the sole judge of the quality of maintenance and repairs performed by the Manager. The Authority may at any time, without notice, enter the Parking Facilities to determine if satisfactory maintenance and repairs are being performed. If Authority determines that said maintenance or repair is not satisfactory, Authority shall so notify Manager in writing. If said maintenance or repair is not performed satisfactorily by Manager within 15 days after receipt of the aforesaid written notice, Authority or its agents shall have the right to enter upon the Parking Facilities and perform the maintenance or repair on behalf of Manager and Manager agrees to promptly reimburse Authority for administrative costs equal to 15% of total cost.

Notwithstanding the above provision, any hazardous or potentially hazardous condition shall be corrected immediately upon receipt by Manager of oral notice given by Authority.

7.04 Cleaning of Parking Facilities Manager shall be responsible for the cleaning of the Parking Facilities, including sidewalks, ramps, steps and landscaped areas, which shall include but not be limited to sweeping, mowing, picking up, and containerizing all litter, debris, trash, waste, garbage, leaves, sand, abrasive materials, refuse, and petroleum wastes and the removal and clean-up of gas, solvents, and similar spills from vehicles using said areas and facilities, in accordance with state and federal EPA requirements. Cleaning operations shall be performed as frequently as may be necessary to keep and maintain the Parking Facilities at all times in a clean and orderly condition. If Authority determines that said cleaning is not satisfactory, Authority shall so notify the

Manager in writing. If said cleaning is not performed satisfactorily by Manager within 24 hours after receipt of written notice, Authority or its agents shall have the right to enter upon the Parking Facilities and perform the cleaning, and the manager agrees to promptly reimburse Authority for administrative costs equal to 15% of total cleaning costs.

Manager shall provide complete and proper arrangements for the sanitary handling of all non-hazardous trash, garbage and other refuse resulting from its operation of the Parking Facilities and shall provide for the timely removal thereof to a Authority provided dumpster designated by Authority.

7.05 Maintenance Summary The parties hereto agree that the maintenance schedule attached hereto as Exhibit I summarizes the Authority's and Manager's major maintenance and repair obligations under this Agreement as of the effective date hereof. The parties hereto agree to amend the same from time to time as necessary to add, delete or clarify responsibilities of the parties with respect to maintenance and repair of the Parking Facilities. Except to the extent Exhibit I is specifically amended, then in the event of a conflict between the provisions of Exhibit I and this Article VII, the provisions of this Article VII shall control.

7.06 Use of Subcontractors In the event that Manager employs subcontractors to perform any maintenance or repair obligation of Manager, Manager shall provide Authority with the identification of said subcontractor, an indemnity to Authority covering said subcontracted work from said contractor, and certificates of insurance, in form and substance acceptable to Authority, evidencing liability, workers compensation and other applicable insurance required under Manager's approved procedures and naming the Authority, its officers, members and employees as additional insureds; provided that such indemnity and insurance shall be in addition to that provided by Manager, and shall not relieve Manager of its insurance and indemnity obligations otherwise provided herein to Authority. Manager's obligation to provide Authority with identification of said subcontractor shall include such information as is reasonably requested by Authority so as to demonstrate that the proposed subcontractor is independent and unaffiliated with Manager. Should the proposed subcontractor be affiliated with Manager, Authority shall have the right to require Manager to demonstrate that the amounts to be paid by Manager to said subcontractor do not exceed fair market rate.

7.07 Future Improvements by Authority During the term of this agreement, the Authority anticipates general improvements or upgrades of the Parking Facilities. Manager shall be responsible for maintaining such improvements including cleaning and sweeping, lot striping and markings, asphalt sealing, mowing, seeding, trimming and trash removal. Manager shall have the same obligations for all maintenance and repairs for any parking lot improvements for all maintenance and repairs as exists in the existing Parking Facilities.

ARTICLE VIII

REFUSE AND WASTE

8.01 Refuse Manager shall be responsible for the collection, storage and removal from the Parking Facilities of all garbage, debris and other non-hazardous waste materials, either solid or liquid, arising out of Manager's activities on the Airport or arising from its obligations pursuant to Article VII of this Agreement. Manager covenants to keep the Parking Facilities free and clear at all times of all such garbage, debris and other non-hazardous waste materials in accordance with its obligations pursuant to Article VII. No garbage, debris or other waste materials shall be thrown, discharged or deposited or permitted to be thrown, discharged or deposited on Airport property or any bordering property of the Airport, nor shall it be placed in waste containers owned and/or operated by Authority, except for a dumpster which shall be designated for Manager's use in common with other tenants.

8.02 Other Refuse and Hazardous Materials, Substances or Wastes

A. Compliance with Environmental Laws: Manager shall comply with all federal, state and local laws, rules, regulations, resolutions and ordinances controlling air, water, noise, solid wastes and other pollution, including SWMP and SPCC rules, and relating to the use, storage, transport, release or disposal of hazardous materials, substances, or waste.

B. General: Manager shall not bring or allow or permit to be brought onto the Parking Facilities any hazardous, toxic, or petroleum material, substance or waste, except as may be required in the normal conduct of its business and properly contained and stored, or as normally and properly contained in vehicles and equipment and in compliance with all applicable federal, state, and local laws, rules, and regulations.

C. Hazardous Wastes and Materials: Manager shall not store, dispose of or release any hazardous or toxic substances, wastes or materials of any kind on the Parking Facilities or Airport premises, nor shall Manager place such wastes in waste containers or dumpsters provided and emptied by the Authority. Compliance with all environmental laws shall be Manager's sole responsibility at its sole cost.

D. Report Release of Hazardous Materials: Manager shall immediately furnish to the Executive Director written notice of any and all releases of hazardous wastes, materials or substances whenever such releases are required to be reported to any federal, state, or local authority, and pay for all clean up and removal costs. Such written notice shall identify the substance released, the amount released, and the measures undertaken to clean up and remove the released material and any contaminated soil or water, and shall further certify that no contamination remains. Manager shall also provide Authority with copies of any and all reports resulting from tests on Airport property or made to any governmental agency which relate to Airport property.

E. Environmental Indemnification: Regardless of Authority's acquiescence and in addition to indemnification provisions contained elsewhere in this Agreement, Manager shall defend, indemnify and hold Authority, its officers, agents, and employees, harmless from all costs, liabilities, fines or penalties, including attorney's fees, resulting from or arising out of Manager's violation of this Article and agrees to reimburse said parties for any and all costs and expenses incurred in eliminating or remedying such violations. Manager further covenants and agrees to reimburse Authority and hold Authority, its officers, agents and employees harmless from any and all costs, expenses, attorney's fees and all penalties or civil judgments obtained against the Authority as a result of Manager's disturbance, use, release or disposal of any petroleum product, asbestos, hazardous substance, material, or waste onto the ground or into the water or air. Notwithstanding the above, Manager shall in no way be liable for the introduction onto Airport property, including the Parking Facilities, of hazardous substances, wastes or materials by others, except for those others over which Manager has control or a duty to control; however, Manager shall be responsible for taking action to report and clean-up any release from a vehicle parked in the Parking Facilities in accordance with Paragraph D above.

F. Any environmental condition, hazardous substance or hazardous waste which was present on the Parking Facilities prior to this Agreement shall not be the responsibility of Manager.

ARTICLE IX

STORM WATER COMPLIANCE

9.01 Acknowledgments

A. Notwithstanding any other provisions or terms of the Agreement, Manager acknowledges that the Airport is subject to federal storm water regulations and Manager is responsible for SWPPP/SPCC compliance.

B. Notwithstanding any other provisions or terms of the Agreement, Manager acknowledges that the Airport is subject to federal storm water regulations, 40 C.F.R. Part 122, for "vehicle maintenance shops" (including vehicle rehabilitation, mechanical repairs, painting, fueling and lubrication), equipment cleaning operations and/or deicing operations that occur at the Airport as defined in these regulations and any applicable state storm water regulations. Manager further acknowledges that it is familiar with these storm water regulations, and that it is aware that there are significant penalties for submitting false information, including fines and imprisonment for knowing violations.

C. Notwithstanding any other provisions or terms of the Agreement, Manager acknowledges that Authority has taken steps necessary to apply for or obtain a storm water discharge permit as required by the applicable regulations for the Airport, including the Parking Facilities occupied, used or operated by the Manager. Manager

acknowledges that the storm water discharge permit issued to the Authority may name the Manager as a co-permittee.

D. Notwithstanding any other provisions or terms of this Agreement, and in addition to indemnification provisions contained elsewhere in this Agreement, Authority and Manager both acknowledge that close cooperation is necessary to ensure compliance with any storm water discharge permit terms and conditions, as well as to ensure safety and to minimize costs. Manager acknowledges that, as discussed more fully below, it may have to undertake to minimize the exposure of storm water (and snow melt) to “significant materials” generated, stored, handled or otherwise used by the Manager, as defined in the federal storm water regulations, by implementing and maintaining “Best Management Practices.”

E. Manager acknowledges that Authority’s storm water discharge permit, as it may be amended, is incorporated by reference into this Agreement and any subsequent renewals.

9.02 Agreement Compliance

A. Authority will provide Manager with written notice of those storm water discharge permit requirements that are in Authority’s storm water permit and that Manager will be obligated to perform from time to time, including, but not limited to: certification of non-storm water discharges; collection of storm water samples; preparation of storm water pollution prevention or similar plans; implementation of “good housekeeping” measures of Best Management Practices; and maintenance of necessary records. Such written notice shall include applicable deadlines. Manager, within seven (7) days of receipt of such written notice, shall notify Authority writing if it disputes any of the storm water discharge permit requirements it is being directed to undertake. If Manager does not provide such timely notice, it is deemed to assent to undertake such requirements. If Manager provides Authority with timely written notice that it disputes such storm water discharge permit requirements, Authority and Manager agree to negotiate a prompt resolution of their differences. Manager warrants that it will not object to written notice from the Authority for purposes of delay or avoiding compliance.

B. Manager agrees to undertake those storm water discharge permit requirements for which it has received written notice from the Authority. Manager warrants that it shall meet any and all deadlines that may be imposed on or agreed to by Authority and Manager. Manager acknowledges that time is of the essence.

C. Authority agrees to provide Manager, at its request, with any non-privileged information collected and submitted to any governmental entity(ies) pursuant to applicable storm water regulations.

D. Manager agrees that the terms and conditions of the Airport’s storm water discharge permit may change from time to time and hereby appoints Authority as its agent to negotiate with the appropriate governmental entity(ies) any such permit

modifications.

E. Authority will give Manager written notice of any violation by Manager of the Authority's storm water discharge permit or program or the provisions of this section. Manager acknowledges and agrees that such a violation shall be considered material and shall constitute an event of default under this Agreement and grounds for termination. Manager agrees to cure promptly any violation.

F. Manager agrees to participate in any Authority-organized task force or other work group established to coordinate storm water activities at the Airport. It will arrange for a representative to attend annual training related to Authority's SWPPP and will implement relevant Best Management Practices contained in such Program.

9.04 Indemnification Notwithstanding any other provisions of this Agreement, Manager agrees to defend, indemnify and hold harmless Authority, its officials, officers, agents, and employees and other storm water permit co-permittees for any and all claims, demands, costs (including attorneys fees), fees, fines, penalties, charges and demands by and liability directly or indirectly arising from Manager's actions or omissions, including without limitation, failure to comply with Manager's obligations under this Article, the applicable storm water regulations, and storm water discharge permit, unless the result of Authority's sole negligence. This indemnification shall survive any termination or non-renewal of this Agreement.

ARTICLE X

AUTHORIZATION OF AND REIMBURSEMENT FOR EQUIPMENT AND IMPROVEMENTS

10.01 Approvals for Parking Equipment, Operating Equipment and Improvements As of the execution date of this Agreement, there are no Manager-owned Parking Equipment or Operating Equipment or Manager-constructed improvements to the Parking Facilities.

Before Manager may acquire any Parking Equipment or Operating Equipment for, or make any improvements to the Parking Facilities, Manager must request approval from the Executive Director to acquire said equipment or make said improvements and provide the Executive Director with the justification and the cost therefor, the procurement specifications to be used to obtain said equipment or make said improvements, the allowable costs of financing therefor, if any, the estimated useful life of said equipment or improvement, and anticipated recurring expenses associated with the equipment or improvement (for example, for computer equipment, related software acquisition and anticipated need for periodic updates thereto). Upon written approval by the Executive Director, Manager shall proceed to acquire said equipment or make said improvement in accordance with said approvals, in accordance with the procurement process approved by Authority. Upon completion of the purchase or improvement, the equipment or improvement, its cost and useful life and its monthly amortization shall be

incorporated into revised Exhibits B and C. In addition, the Executive Director shall also have the right to require Manager to procure additional Parking Equipment, Operating Equipment or make improvements to Parking Facilities that she or he deems necessary for the operation of the Parking Facilities under the procedures as outlined aforesaid. Upon acquisition of said equipment or completion of said improvement, as aforesaid, Manager shall forthwith provide the Authority with evidence of payment to its contractors, subcontractors and suppliers and with verification of final costs in form and substance acceptable to the Executive Director.

10.02 Purchase of Equipment If, upon the expiration or termination of this Agreement, Manager and Authority do not enter into an Agreement providing for the continued management and operation of the Parking Facilities by Manager, so long as Manager is not in default hereunder, Authority shall pay Manager for the net book value of any Parking Equipment and Operating Equipment purchased for the operation of the Parking Facilities and approved by Executive Director and remaining unreimbursed. The net book value of said equipment shall be determined by multiplying Manager's initial cost for the same by the fraction, the numerator of which is the remaining useful life of said equipment, expressed in calendar months, and the denominator of which is the initial useful life of said equipment, expressed in calendar months. Manager shall provide Authority with all maintenance manuals.

10.03 Payment for Improvements If, upon the expiration or termination of this Agreement, Manager and Authority do not enter into a new Agreement providing for the continued operation and management of the Parking Facilities by Manager, so long as Manager is not in default hereunder, Authority shall reimburse Manager for the net book value of any improvements made by Manager to the Parking Facilities and approved by Airport Director and remaining un-reimbursed in full. Manager's reimbursement shall be the net book value of said improvement determined by multiplying Manager's initial cost for the same by the fraction, the numerator of which is the remaining useful life of said improvement, expressed in calendar months, and the denominator of which is the initial useful life of said improvement expressed in calendar months.

10.04 Immediate Reimbursement to Manager In lieu of payment to Manager of the Amortization Payment under Section 5.01, Paragraph C, Authority may elect to immediately reimburse Manager for the cost of any equipment purchase or improvement made pursuant to Section 10.01 above. In the event Authority so elects, Manager's cost will be reimbursed within 30 days of acquisition or completion, based upon Manager's invoice and such other documentation of title or completion as the Airport Director may require, and said equipment or improvement shall not be subject to an Amortization Payment.

10.05 Other Provisions Governing Equipment Acquisition and Improvements The Manager shall follow and strictly comply with the following provisions in its procurement of equipment and making any improvement under the provisions of Section 10.01 above.

- A. Manager will not acquire any Parking Equipment or Operating Equipment

nor make any alterations or improvements to the Parking Facilities until after first obtaining the written consent of the Executive Director in accordance with Section 10.01 above. All installations of equipment and alterations and improvements to the Parking Facilities made by the Manager shall be made in a workmanlike manner without damage to the Parking Facilities, except such damage that is promptly repaired or corrected by the Manager. No installation, improvement or alteration shall be made unless the Airport Director shall first review and approve in writing the plans and specifications for such installation, alteration or improvement, and Manager shall have obtained all applicable building permits.

B. Construction Bonds and Insurance

1. Bonds Prior to the Executive Director granting authority to Manager to proceed with the installation of any equipment or the construction of improvements or alterations, Manager may be required to provide construction completion and labor and material payment guarantees, in a sum equal to the full cost of the installation or construction, such guarantees to be substantially in the form attached hereto as Exhibit J.

2. Insurance Prior to the Executive Director granting authority to proceed with the installation of any equipment or the construction of any improvement or alteration, Manager or its contractor shall take out and maintain during the construction period Workers' Compensation and Contractor's comprehensive general public liability insurance, wherein the Authority, its officers, agents and employees are named as additional insureds. Coverage shall protect the contractor and any subcontractor performing work from claims for damage for personal injury, including accidental death, as well as claims for property damages which may arise from operations during the construction or installation, whether such operations be by the contractor or by any subcontractor or by anyone directly or indirectly employed by them. Such policy or policies shall not exclude the "Explosion Hazard" nor the "Collapse Hazard" and shall be in an amount not less than a combined single limit of One Million Dollars (\$1,000,000) for bodily injury and property damage per occurrence. This insurance shall include coverage for damage of property of any nature in care, custody, or control of the contractor, or any property over which the contractor is directly or indirectly exercising physical control by reasons of the work to be performed.

The contractor shall also obtain Builder's Risk insurance covering all work incorporated in the Parking Facilities and all material for the same in, on or about the Airport.

In addition, the contractor shall obtain public liability insurance to cover each automobile, truck or other vehicle used in the performance of the installation or construction in an amount not less than a combined limit of One Million Dollars (\$1,000,000) for bodily injury and for property damage per occurrence.

The maintenance of such insurance as outlined herein shall in no way constitute a waiver of legal liability for damages to any adjoining areas of the building or the work and property of others on the site beyond the limits of insurance maintained. All

agreements between Manager and its contractors shall provide that the contractor shall defend, indemnify and hold harmless the Asheville Regional Airport Authority, its officers, agents, and employees from any injury, damage, claims, fines or costs arising out of its work for Manager or the work of its subcontractors.

C. All Equipment and Improvements to Conform with Statutes All improvements, furniture, fixtures, equipment and finishes, including the plans and specifications therefor, constructed or installed by Manager, its agents or contractors, shall conform in all respects to applicable statutes, ordinances, building codes, and rules and regulations. Any approval given by the Authority or the Airport Director shall not constitute a representation or warranty as to such conformity; responsibility for compliance with all such laws and rules and regulations, including obtaining all necessary permits and approvals, shall at all times remain with Manager.

D. Disapprovals In the event of disapproval by the Executive Director of any portion of any plans or specifications, Manager shall promptly submit necessary modifications and revisions thereof for approval by Executive Director. Executive Director shall act promptly upon such plans and specifications and upon requests for approval of changes or alterations in said plans or specifications. No substantial changes or alterations shall be made in said plans or specifications after initial approval by Executive Director, and no alterations or improvements shall be made to or upon the Parking Facilities without the prior written approval of the Executive Director. The Authority, through the Executive Director, shall have the absolute right to disapprove the installation of any equipment or the construction of any improvements or alterations and such refusal shall be deemed reasonable and final.

E. Provision of As-Built Drawings Upon completion of any installation, improvement or alteration, Manager shall provide Authority two (2) completed sets of as-built drawings in reproducible and modifiable form as specified by Authority. Manager agrees that, upon the request of Authority, Manager will inspect the installation or improvement jointly with Authority to verify the as-built drawings.

F. Title to All Equipment Except as may be otherwise specified in writing in the Executive Director's approval to Manager pursuant to paragraph A above, title to all equipment acquired and improvements made to the Parking Facilities shall immediately pass and vest in Authority upon installation or completion. Title trade fixtures provided by Manager, which are not included as Parking Equipment or Operating Equipment and which purchase price has not been charged to Authority, hereunder shall remain in Manager. Unless otherwise agreed to in writing by Manager and Executive Director, upon completion of any installation, improvement or construction made by Manager to the Parking Facilities, title to same shall vest and remain in Authority.

G. Right to Other Property Except as may otherwise be provided for herein, Manager shall have the right upon the termination of this Agreement to remove any of its trade fixtures, expendables, and personal property, if any, from the Parking Facilities which have not assumed the nature of an improvement or fixture to real property and/or have not been paid for by Authority as a reimbursable or otherwise; provided, however, that Manager is not then in default hereunder, and provided further that

Manager, at its sole cost and expense, shall repair or shall reimburse the Authority for the cost of repairing any damage which may be caused by such removal. Upon failure of Manager to remove such property within twenty-four (24) hours after the date of termination of this Agreement, the Executive Director shall have the right to remove such property, notwithstanding any security interest in same, and to store it, and Manager shall pay to the Authority the cost of such removal and storage or at the option of the Authority's representative, any such property remaining after the termination of this Agreement shall immediately be and become the property of the Authority.

ARTICLE XI

INDEMNIFICATION AND INSURANCE

11.01 Indemnification – Authority Held Harmless Manager shall defend, indemnify and hold harmless the Authority, its past, present and future appointed officials, officers, agents and employees against and from any and all claims, demands, debts, liabilities, penalties, fines, and causes of action, including without limitation reimbursing the Authority for all expenses and reasonable attorneys' fees incurred in connection therewith, whether in law or in equity, by reason of death, injury or damage to any person or persons, or loss or damage or destruction of property or loss of use thereof, whether it be the person or property of Manager, or Authority or their agents, employees, invitees or of any third persons, from any cause or causes whatsoever arising from any event or occurrence in or upon the Parking Facilities.

11.02 Manager's Environmental Obligation and Indemnity

Manager shall not cause or permit any gasoline, oil, paint, paint waste or hazardous, toxic or dangerous waste, substance or material to be used or placed on, under, or about the Airport, including the Parking Facilities, in violation of this Agreement or any governmental laws or regulations, or filings, either federal or state, applicable to environmental concerns, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act and the Clean Water Act. In the event Manager becomes aware that any gasoline, oil, paint, paint waste or hazardous, toxic or dangerous waste, substance or material has been used or placed by it or its agents, servants, contractors or employees on, under, or about the Airport or the Parking Facilities, in violation of any such governmental law, regulation or ruling, Manager shall immediately notify the Authority in writing of such fact, and if such occurrence results from a breach by Manager of its obligations hereunder, Manager shall, at Manager's expense, take such remedial action as is necessary to correct any such violation, remove from the Airport such substances and materials giving rise to any such violation, and take such action as is necessary to prevent a recurrence of such violation. Manager shall have the affirmative duty to clean up and properly dispose of any gas, transmission fluid, or similar type of oil, leak or spill in and about the Parking Facilities occurring during the normal course of operations at the Parking Facilities.

In addition to and not in place of any other indemnification obligations contained in this Agreement, Manager shall defend, indemnify, and hold harmless the

Authority, its past, present and future officials, officers, agents and employees, from and against any and all costs of clean up or other remedial actions, claims, demands, suits, judgments, fines, penalties, costs and expenses for violations of any such governmental law, regulation, or ruling resulting from Manager's operations hereunder upon the Airport, including the Parking Facilities; and Manager shall reimburse the Authority for all expenses, including reasonable attorneys' fees, incurred in connection therewith. The Authority shall give Manager prompt and reasonable written notice of any such claim or action known to it, and Manager shall have the right to investigate, compromise, and defend the same to the extent of its own interest. Manager's obligation to indemnify hereunder shall survive any expiration and/or termination of this Agreement.

11.03 Waiver of Liability In no event shall Authority be liable in any manner to Manager or any other party as the result of the acts or omissions of Manager, its agents, employees, contractors or any tenant of Authority.

11.04 Insurance The following general requirements apply to all operations under this Agreement.

A. Insurance Required Prior to Execution Authority shall not execute this Agreement until all insurance requirements contained in this Agreement shall have been complied with as outlined below, and until evidence of such compliance satisfactory to the Authority as to form and content has been filed with the Executive Director. A certificate of insurance is the required form of evidence of compliance in all cases.

B. Quality of Insurance Company Any and all companies providing insurance required by this Agreement must meet minimum financial security requirements as follows: (1) Best's Rating not less than B+ and (2) current Best's Financial Category not less than Class VII. These requirements conform to the ratings published by A.M. Best & Co. in the current Best's Key Rating Guide--Property-Casualty. The ratings for each company must be indicated on the certificate of insurance form.

C. Insurance to be Maintained During Term Any and all insurance required by this Agreement shall be maintained during the entire term of this Agreement, including any extensions thereto. Manager shall provide a Certificate of Insurance to evidence continued compliance with all insurance required hereunder, such certificates to be provided to the Executive Director from time to time. The Executive Director shall have the right to inquire into the adequacy of the insurance coverages set forth in this Agreement and to negotiate such adjustments as reasonably appear necessary.

D. Notice of Cancellation The Executive Director shall, without exception, be given not less than 30 days notice prior to cancellation or non-renewal for any reason other than non-payment of premium or for material change of any insurance required by this Agreement. Non-payment of premium or material change shall require ten days notice of cancellation or non-renewal. Confirmation of these mandatory notice of cancellation provisions shall appear on the certificate of insurance and on any insurance policies required by this Agreement.

E. Authority and Others as Additional Insureds The Greater Asheville Regional Airport Authority and its present and future members, officers, officials, agents

and employees and their respective heirs, personal representatives, successors and assigns, shall be covered as Additional Insureds under any and all insurance required by this Agreement except for Workers' Compensation and Employer's Liability, and such insurance shall be primary with respect to the Additional Insureds. Confirmation of this shall appear on the certificate of insurance and on any applicable insurance policies.

F. Authority of Insurance Agent Each and every agent acting as "Authorized Representative" on behalf of a company affording coverage under this Agreement shall warrant when signing the certificate of insurance that specific authorization has been granted by the companies for the agent to bind coverage as required and to execute the certificate of insurance as evidence of such coverage. In addition, each and every agent shall warrant when signing the certificate of insurance that the agent is licensed to do business in the State of North Carolina.

11.05 Commercial General Liability Insurance Manager shall procure and maintain Commercial General Liability Insurance, on a per occurrence basis, in an amount not less than \$5,000,000 Bodily Injury and Property Damage combined single limit. Coverage must include comprehensive Broad Form Contractual covering Manager's indemnity obligations hereunder, Property Damage, Personal Injury, and Garage Keepers Legal Liability Insurance; however, the coverage for Garage Keepers Legal Liability Insurance shall be in an amount not less than \$500,000 combined single limit as required by the Executive Director..

11.06 Fidelity and Employee Dishonesty Insurance Manager shall maintain in force with an insurance company authorized to do business in the State of North Carolina and meeting the requirements specified in Section 11.04, the following fidelity and employee dishonesty types of insurance:

A. Each employee shall be bonded to cover the amount of cash handled by such employee.

B. A fidelity bond satisfactory to Authority in its reasonable discretion, which insures that Manager complies with Section 6.01 and 6.03 of this Agreement. The insurance required under A and B above shall include the Authority as an additional insured.

11.07 Automobile Liability Insurance Manager shall procure and maintain Automobile Liability Insurance in an amount of not less than \$2,000,000 Bodily Injury and Property Damage combined single limit, on a per occurrence basis, on each motor vehicle used by Manager in its business operations at the Airport. Insurance coverage shall extend to vehicles, owned, hired, leased as well as non-owned vehicles and shall be indicated on the Certificate of Insurance.

In the event the Manager uses any motor vehicles in its business at the Airport which it does not own in its corporate name, non-owned motor vehicles coverage shall apply to such motor vehicles and must be endorsed on either the Manager's personal automobile policy or the Commercial General Liability coverage required under this Agreement.

11.08 Fire and Extended Coverage Insurance The Authority shall maintain standard fire and extended coverage insurance on the Parking Facilities including, but not limited to, improvements made by Manager, title to which has vested in the Authority. Such insurance will be to the extent of at least 80% of full replacement value as determined by Authority less a standard disappearing deductible clause. Manager shall maintain appropriate fire and casualty insurance to cover its own furnishings, personal property, trade fixtures, expendables, equipment and stock in trade, and acknowledges that Authority will not carry such insurance.

11.09 Workers' Compensation and Employer's Liability Insurance Manager shall procure and maintain Workers' Compensation and Employer's Liability Insurance in the amounts required by the State of North Carolina.

11.10 Replacement Coverage If, at any time, coverage, carrier, limits, or minimum amounts on any policy, or the type of insurance required herein, shall become unsatisfactory to the Executive Director, the Manager shall forthwith provide a new policy meeting the requirements of the Executive Director.

11.11 Not A Limit On Liability Manager covenants and agrees that the insurance coverages required under this Agreement shall in no way be considered or used in any manner as a limit or cap of any kind on any liability or obligation that Manager may otherwise have, including without limitation, liability under the indemnification provisions contained herein.

11.12 Waiver of Subrogation If, and to the extent the Authority is not an additional insured on an applicable policy, no party shall have any right or claim against the Authority for any property damage (whether caused by negligence or the condition of the Parking Facilities or any part thereof) by way of subrogation or assignment, Manager hereby waiving and relinquishing any such right. Manager shall request its insurance carrier to endorse all applicable policies waiving the carrier's right of recovery under subrogation or otherwise in favor of Authority and provide verification of this waiver on the certificate of insurance provided to Authority.

11.13 No Third Party Beneficiaries It is specifically agreed between the parties hereto that it is not intended by any of the provisions nor any part of this Agreement: (I) to create in or on behalf of any other third party, person, organization or member of the public, rights as a third party beneficiary; or, (ii) to authorize anyone not a party to this Agreement to maintain a suit for personal injuries or property damage pursuant to the terms of the provisions of this Agreement.

ARTICLE XII

PERFORMANCE GUARANTEE

12.01 Amount of Performance Guarantee Manager shall provide, file and maintain with Authority, during the term of this Agreement, a performance guarantee satisfactory in form and content to the Authority. The performance guarantee shall be in the initial amount of \$300,000.00 Dollars and shall be adjusted at the beginning of each Contract Year to be the greater of \$300,000.00 Dollars or the amount of the

average monthly Gross Receipts from the prior Contract Year. This performance guarantee is required to guarantee the full and faithful performance of all the terms and conditions of this Agreement by the Manager and shall be subject to claim by the Authority in the event of default by the Manager. Manager must ensure that the performance guarantee is maintained at all times in the proper amount throughout the period of the Agreement.

12.02 Form of Guarantee The performance guarantee, at the option of Manager, may be an irrevocable letter of credit from a bank acceptable to the Authority, which is either in the Asheville area or will accept a demand for payment by mail, the form of which has been approved by Authority's General Counsel; or it may be a performance bond, issued by an insurance company acceptable to the Authority, in substantially the form and content attached hereto as Exhibit K, and approved by Authority.

12.03 Certificate of Renewal At least 45 days prior to the expiration date on which any such performance guarantee expires, Manager shall provide and file with the Executive Director a renewal or replacement guarantee meeting the requirements of Section 12.02 aforesaid.

12.04 Maintenance of Guarantee If Manager fails to provide or maintain the performance guarantee in effect at any time during the period of the Agreement, the Manager shall be in default and this Agreement may be immediately terminated by the Authority.

ARTICLE XIII

DAMAGE TO PARKING FACILITIES/CURTAILMENT OF OPERATIONS

13.01 Partial Damage If the Parking Facilities or any essential appurtenant facilities thereto shall be partially damaged by fire, or other casualty, but said circumstance does not render the Parking Facilities untenable as determined by Authority, such damage shall be repaired to usable condition with due diligence by the Authority at its own cost and expense.

13.02 Substantial Damage If the Parking Facilities or any essential appurtenant facilities thereto shall be so extensively damaged by fire, or other casualty, as to render said Parking Facilities untenable, but capable of being repaired in 60 days, all as determined by Authority, such damage shall be repaired to usable condition with due diligence by the Authority at its own cost and expense. The Authority will use its best efforts to provide Manager with suitable alternate facilities to continue its operations while repairs are being completed and shall cover as Reimbursement such reasonable and necessary direct expenses of Manager for such temporary accommodations.

13.03 Extensive Damage If the Parking Facilities, any essential appurtenant facilities thereto, or any essential part of the Airport necessary to the conduct of air operations and the movement of passengers through the Airport shall be damaged by fire or other casualty to such an extent as to render the same untenable, thereby precluding passengers from using the Airport and Manager from conducting its

operations and the same is incapable of being repaired in 60 days all as determined by Authority, the Authority shall have the option of: (a) repairing and restoring the Parking Facilities or the damaged facilities to usable condition with due diligence at its own cost and expense; the Authority will use its best efforts to provide Manager with suitable alternate facilities to continue its operation while repairs are being completed and shall cover as Reimbursement such reasonable and necessary direct expenses of Manager for such relocation to said alternate facilities; or (b) within 90 days after the time of such damage and before any contract for repair or reconstruction thereof has been signed, either party may give the other party notice in writing of its intention to cancel this Agreement and, upon the receipt of such notice by the other party, this Agreement shall be canceled.

13.04 Damage Due to Manager's Negligence In the event the Parking Facilities or any other Airport facility shall be damaged or destroyed by fire or other casualty or otherwise due directly or indirectly to the willful act or negligence of the Manager or of its agents, employees, or contractors, Manager shall have no option to cancel this Agreement and to the extent that the cost of all repairs resulting from such action by Manager or of its agents, employees or contractors shall exceed the amount of any insurance proceeds payable to the Authority by reason of such damage or destruction, Manager shall pay the amount of such cost to the Authority.

13.05 Authority Right To Suspend Or Reduce Operations In the event of any damage, by fire or other casualty to the Airport or any major Airport facility, or in the event of any substantial curtailment of air traffic into or out of the Airport or substantial reduction in movement of passengers through the Airport, for any reason whatsoever, the Executive Director shall have the right to order a curtailment or suspension of operations by Manager and Manager shall immediately reduce staffing levels and otherwise reduce or suspend operations according to the instructions of the Executive Director for the period of such curtailment of operations and Manager's Fixed Compensation shall be equitably adjusted downward by Authority to reflect the reduction in operations at the Parking Facilities.

ARTICLE XIV

ASSIGNMENT AND SUBCONTRACTING

14.01 Consent Required Neither the Manager's right to use the Parking Facilities nor any of the rights, privileges or obligations granted hereunder may be subcontracted, either in whole or in part, nor shall Manager assign or transfer this Agreement or any right hereunder without the prior written consent of the Authority, nor shall it permit any transfer by operation of law of Manager's interest created hereby, without the prior written consent of the Authority. Consent by the Authority to any assignment or transfer of interest under this Agreement or subcontracting of Manager's rights or obligations to manage and operate the Parking Facilities or the rights and privileges granted hereunder or any part of either shall be limited to the instance stated in such written consent and shall not constitute a release, waiver, or consent to any other assignment, transfer of interest, or subcontract, and notwithstanding any such assignment, transfer of interest, or subcontract, Manager shall remain liable for the

performance of Manager's obligations under this Agreement. If Manager is privately held (i.e., ownership in Manager is not publicly traded), then the passage of control to persons or entities other than those listed in the Proposal Form delivered to Authority by Manager prior to the execution hereof, shall constitute an assignment or transfer of this Agreement by Manager, thus requiring the prior written consent of Authority.

ARTICLE XV

RIGHTS AND OBLIGATIONS OF THE AUTHORITY

15.01 Specific Rights The Authority retains for itself any and all rights and powers not especially granted to Manager; however, without limiting the generality of the foregoing, the Authority shall have the following specific rights.

A. Right of Entry and Inspection Authority shall have the right to enter the Parking Facilities at all times for the purpose of inspecting same, confirming Manager's compliance with the terms hereof, and of doing any and all things with reference to said Parking Facilities which the Authority is obligated or authorized to do as set forth herein. The Authority, through its employees, agents, representatives, contractors, and furnishers of utilities and other services shall have the right for its own benefit or for the benefit of other tenants at the Airport, to maintain existing and future utility, mechanical, electrical and other systems and services and to enter upon the Parking Facilities at all reasonable times to make such repairs, replacements or alterations to such systems or services as the Authority may deem necessary or advisable, and, from time to time, to construct or install over, in or under the Parking Facilities new systems or parts thereof, and to use the Parking Facilities for access to other parts of the Airport otherwise not conveniently accessible; provided, however, that the exercise of such right shall not unreasonably interfere with the use of the Parking Facilities by the Manager, and that every reasonable effort shall be made to restore the Parking Facilities to the condition existing prior to the exercise of such rights. Except in emergency, any maintenance work in, on, under or over the Parking Facilities shall be coordinated with Manager's Site Manager or representative prior to being initiated.

B. Rights during National Emergency The Authority reserves the right, during times of national emergency declared by the President of the United States, to lease the Airport or any part thereof to the United States Government if said Airport facilities are required for United States Government use. In the event such a lease is executed, the rights and privileges of this Agreement, insofar as they are inconsistent with the rights and privileges of the lease with the United States Government, shall be temporarily suspended and abated.

C. Security Vehicle Inspections. In the event the Federal Government determines that any portion of the parking lot and the spaces located there are too close to the Terminal Building, posing a threat to the security of the Airport, its facilities and occupants; and/or determines that the parking lot should be closed and only made available to the public after vehicles entering the lot have been inspected by a Authority authorized company, then in such an event, Manager will provide whatever services it

reasonably can to assist the Authority upon request and will have no claim for lost receipts as a result in the reduction in parking spaces.

ARTICLE XVI

TERMINATION, CANCELLATION, DEFAULT

16.01 Termination and Surrender Manager agrees to yield and deliver up to the Authority the Parking Facilities promptly at the termination of this Agreement, whether by expiration, cancellation or otherwise, in good condition, reasonable wear and tear excepted, and in accordance with its express obligations hereunder. In the event Manager shall fail to remove any trade fixtures, expendables or personal property installed or placed by it on the Parking Facilities, ownership of which remains with Manager, or in the event Manager shall fail to repair damage which exceeds normal wear and tear, then the Authority may make such removal or repair, and Manager agrees to pay all costs for removal and/or storage costs, and pay all costs of repair of damage to the Parking Facilities, Airport property or the property of others, and all expenses of restoring the property plus fifteen percent (15%) of such amount to cover all interest and administrative costs and expenses.

16.02 Cancellation by Manager Manager shall have the right, upon ten days prior written notice to Authority, to terminate this Agreement upon the happening of one or more of the following events, if said event or events shall then be continuing:

A. The issuance by any court of competent jurisdiction of an injunction, order, or decree preventing or restraining the use by Manager of all or any substantial part of the Parking Facilities, or preventing or restraining the use of the Airport for normal airport purposes or the use of any part thereof which may be used by Manager and which is necessary for Manager's operations on the Airport, which remains in force for a period of at least 90 days;

B. The substantial breach by the Authority of any of the terms, covenants, commitments or conditions of this Agreement to be kept, performed, and observed by the Authority and the failure of the Authority to remedy such breach, within a period of 30 days after written notice from Manager of the existence of such breach, or if such event or default cannot with reasonable diligence be removed or cured within a period of 30 days, then upon the failure of the Authority to commence to cure or remove the same within said 30 day period and proceed with due diligence to complete the remedy thereof;

C. If the United States Government or any of its agencies shall occupy the Airport or any substantial part thereof to such an extent as to interfere materially with the Parking Facilities or Manager's operations, for a period of 60 consecutive days or more; and

D. If no scheduled airline is providing service at the Airport for a period of 60 consecutive days.

16.03 Events of Default by Manager The happening of one or more of the following events, if said event or events shall then be continuing, shall be considered an act of default by Manager:

- A. Manager shall make a general assignment for the benefit of creditors;
- B. Manager shall file a voluntary petition in bankruptcy or if a petition seeking its reorganization or the readjustment of its indebtedness under the Federal Bankruptcy laws or under similar state laws shall be filed by or against Manager;
- C. An involuntary petition in bankruptcy shall be filed against Manager and Manager is thereafter adjudicated as bankrupt thereunder;
- D. Manager shall consent to the appointment of a receiver, trustee, or liquidator of all or substantially all of the property of Manager.
- E. Manager shall voluntarily abandon and discontinue operations at the Parking Facilities;
- F. Manager shall fail to deposit Gross Receipts or transfer that portion of Authority's Gross Receipts when due under this Agreement and such failure shall not be remedied within 24 hours following receipt by Manager of written demand from the Authority to do so;
- G. The service offered by Manager deteriorates for a period which in the sole opinion of Authority, reasonably arrived at, materially and adversely affects Gross Receipts, materially falls below the level of service required to be performed and offered by Manager under this Agreement, provided that Manager shall be permitted seven days within which to restore service satisfactory to the Authority;
- H. Any lien is filed against the Parking Facilities because of an act or omission of Manager and such lien is not removed within 30 days; or
- I. Manager shall appoint or replace the Site Manager without the specific written approval of the Executive Director; or
- J. Manager shall default in fulfilling any of the other terms, covenants, or conditions to be fulfilled by it hereunder and shall fail to remedy such default within ten calendar days after written notice by the Authority of the existence of such default, or if such default cannot with reasonable diligence be cured within a period of ten calendar days, then upon the failure of Manager to commence to cure such default within said ten day period and proceed with due diligence to complete the remedying of said default.

In the event of an act of default, Authority shall have the right, in addition to and without prejudice to any other rights and remedies it may have as provided by law, to do the following: (1) upon mailing of written notice, terminate this Agreement and the rights of Manager hereunder; (2) without waiving any default, pay any sum required to be paid by Manager to others than the Authority and which Manager has failed to pay, or perform any obligation required to be performed by Manager hereunder, and any amounts so paid or expended by the Authority in fulfilling the obligations of Manager hereunder plus 18% of such amount to cover interest, administrative costs and expenses, shall be repaid by Manager to the Authority on demand; (3) sue for the collection of fees or other amounts for which Manager may be in default, including the collection of attorney fees, or for the performance of any other covenant, promise, or

agreement devolving upon Manager, or for damages for Manager's failure to perform, all without terminating this Agreement or re-entering and gaining possession of the Parking Facilities; (4) upon 24 hours notice, re-enter and repossess the improvements constructed on the Parking Facilities without any reimbursement or claim for compensation being available to Manager; or (5) exercise any and all additional rights and remedies which the Authority may have at law or in equity.

In the event that Manager defaults in the performance of any of the terms, conditions or agreements contained in this Agreement, and Authority places the enforcement of all or part of this Agreement in the hands of its attorney for enforcement, including, without limitation, filing of a suit upon the same, Manager agrees to pay all of Authority's reasonable attorney's fees and costs.

16.04 Authority Rights to Take Over Operations In addition to the rights of termination of the Authority hereunder, Authority shall have the right to take over the operation of the Parking Facilities either with its own personnel or with personnel provided by another operator, in the event the Parking Facilities remain closed or the service provided by the Manager is substantially interrupted for a period of at least four hours by reason of Manager being unable, for any reason whatsoever, to employ, maintain in its employ, or adequately provide the personnel necessary to keep the same open for public patronage. The Authority may continue the operation for so long as the Manager's inability shall last, and the Manager's Authority shall abate during such take-over by the Authority.

16.05 Rights and Remedies Cumulative All rights and remedies which are available by law or pursuant to this Agreement shall be deemed cumulative and additional and not in lieu of or exclusive of each other or of any other remedy available to the Authority at law or in equity.

16.06 Failure to Enforce The failure by either party to enforce, for any period or periods, any of the terms, covenants and conditions herein contained, shall not be deemed a waiver of any rights on the part of either party to enforce said terms, covenants and conditions at a later date, nor shall any failure by either party to enforce any of the terms of this Agreement be construed to be or act as a waiver by either party of any subsequent rights so to enforce.

16.07 Non-Waiver The payment or acceptance of any payment hereunder by either of the parties hereto for any period or periods after a default of any of the terms, covenants, and conditions herein contained to be kept, performed and observed by said parties shall not be deemed as a waiver of any rights on the part of either of them to terminate this Agreement for any subsequent failure or for the continued failure by the other party so to perform, keep and observe the terms, conditions, or covenants hereof to be performed, kept and observed by it. No waiver by either party of any of the terms of this Agreement to be kept, performed, and observed by the other party shall be construed to be or act as a waiver of any subsequent default on the part of that party.

ARTICLE XVII

PROVISIONS APPLICABLE TO FACILITIES FUNDED WITH FEDERAL AND STATE GRANTS

17.01 Federal and State Grants and Public Use The parties acknowledge that the Airport will be operated as a public airport, subject to the provisions of the Federal Aviation Act of 1958 and grant agreements between the Authority and the federal government and between the Authority and the State government, containing assurances guaranteeing the public use of the Airport, so that nothing contained in this Agreement shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act of 1958. The Authority reserves the right to further develop or improve, as it sees fit, the Parking Facilities, the Terminal Complex, the Airport, its landing area and taxiways, and to construct other airports, regardless of the desires or views of Manager and without interference or hindrance therefrom. This Agreement shall be subordinate to the provisions of any existing or future agreement between the Authority and the United States of America, including instrumentalities thereof, and between the Authority and the State of North Carolina, relative to the operation or maintenance for the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds in developing the Airport.

17.02 Modification to Comply with Federal and State Laws, Regulations or Agreements Should the State of North Carolina, United States of America or any instrumentality thereof having authority to do so require that any provision of this Agreement that is in violation of any federal or state law or regulation or any provision of an existing grant agreement between the Authority and the United States of America, any instrumentality thereof, or the State of North Carolina be changed or deleted or should any such change or deletion be required in order for the Airport either to continue as a part of the national airport plan or to retain its eligibility to participate in federal or state financial assistance programs, the Authority may give the Manager notice that it elects that any such change or deletion be made. Manager shall then elect either to consent to any such change or deletion or to cancel the remaining term of this Agreement. Such election shall be made in writing and delivered to the Authority within 30 days of the date the Authority gave notice to the Manager of its election that any such change or deletion be made.

17.03 Subordination to Federal and State Statute It is understood and agreed between the parties hereto that this Agreement shall be subject and subordinate to the provisions of any existing or future agreement between the Authority and the United States of America or the State of North Carolina relative to the ownership, operation or maintenance of the Airport, the execution of which has been or may be required by the provisions of the Federal Airport Act of 1946, as amended, or any future act affecting the operation or maintenance of the Airport, or as a condition precedent to the granting of state or federal funds.

17.04 Rules and Regulations - Law Compliance Manager covenants and agrees to observe and comply with, and this Agreement shall be subject to, all requirements of the constituted public authorities, all federal, state and local statutes, laws, ordinances, rules, regulations and standards now and hereafter in force, which may be applicable to the operation of its business at the Airport, including, but not limited to, such Rules and Regulations as may be adopted by the Authority, or Executive Director, without in any manner limiting the generality of the foregoing, applicable rules and regulations of governmental units pertaining to the use or employment of socially and economically disadvantaged individuals, laws, rules and regulations pertaining to minorities, and laws, rules and regulations pertaining to handicapped persons insofar as they may be applicable to Manager. Manager specifically covenants and agrees that Manager shall be solely and exclusively responsible, at Manager's cost and expense, for compliance with the Americans With Disabilities Act and all implementing guidelines and regulations as it applies to Manager's operations except with respect to site specific facility requirements at the Parking Facilities.

17.05 Non-Discrimination Manager, for itself and its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree that (1) no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in the use of the Parking Facilities herein, (2) that in the construction of any improvement on, over or under land comprising the Parking Facilities and the furnishings of services thereof, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subject to discrimination, and (3) that the Manager shall use the Parking Facilities in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulation, Department of Transportation, Subtitle A, Office of the Secretary, Part-21, Non-Discrimination in Federally-assisted programs of the Department of Transportation--Effectuation of Title VI of the Civil Rights Act of 1964, and as such Regulation may be amended.

In the event of breach of any of the above non-discrimination covenants, the Authority shall have the right to terminate this Agreement and to re-enter and repossess said Parking Facilities and hold the same as if this Agreement had never been made or issued. This provision shall not be effective until the procedures of Title 49, Code of Federal Regulations, Part 21 are followed and completed including exercise or expiration of appeal rights.

17.06 Affirmative Action Manager assures that it will undertake an affirmative action program as required by 14 CFR Part 152, to the extent the same may be applicable to Manager or to the use of the Parking Facilities, to insure that no person shall on the grounds of race, creed, color, national origin, or sex, be excluded from participating in or receiving the services or benefits of any program or activity covered by this subpart; that it will require that its covered sublicensees or subcontractors, if any, provide assurances to Manager that they similarly will undertake affirmative action programs and that they will require assurance from their suborganizations, as required by 14 CFR Part 152, to the same effect.

17.07 Accessibility of Physically Handicapped To the extent the requirements of Section 504 of the Rehabilitation Act of 1973, 49 CFR Part 27, and Titles II and III of the Americans with Disabilities Act of 1990 apply to the Parking Facilities or the operation and/or construction of any equipment or facilities by Manager on the Parking Facilities or any part thereof, such equipment shall be provided and facilities shall be designed, constructed, and operated, so that the Parking Facilities and any such equipment or facility is accessible to and usable by handicapped persons. To assure such design, construction and use, Manager will design and construct all improvements and procure and install all equipment in accordance with the Uniform Federal Accessibility Standards ("UFAS") and/or the American National Standards Institute "Standard Specifications for Making Buildings and Facilities Accessible to, and Usable by, the Physically Handicapped" (ANSI A 117.1 1961 [R-1971]), as applicable, which standards are incorporated herein and made a part of this Agreement.

17.08 Disadvantaged Business Enterprise Program

A. This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR, Part 23, Subpart F. Manager agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession Agreement, management contract or subcontract, purchase or lease Agreement, or other Agreement covered by 49 CFR, Part 23, Subpart F.

Manager agrees to include the statements set forth in the preceding paragraph in any subsequent subcontract agreements that it enters into for operations at the Airport and cause those businesses to similarly include the statement in further agreements, and all such subsequent agreements shall be subject to the provisions of Section 15.08 hereof.

B. Notwithstanding the above requirements of U.S. Department of Transportation regulations 49 CFR, Part 23, Subpart F, A contract goal of at least 2.0% Airport Concession Disadvantaged Business Enterprises (ACDBEs) has been established for this Agreement. Manager agrees that it will use best efforts, where procurement opportunities exist under this Agreement, to purchase materials, services, supplies and equipment from DBEs.

ARTICLE XVIII

GENERAL PROVISIONS

18.01 Invalid Provisions It is expressly understood and agreed by and between the parties hereto that in the event any covenant, condition or provision herein contained is held to be invalid, the invalidity of any such covenant, condition, or provision shall in no way affect any other covenant, condition or provision herein contained; provided, however, that the invalidity of any such covenant, condition or provision does not materially prejudice either the Authority or Manager in its respective rights and obligations contained in the valid covenants, conditions or provisions of the

Agreement.

18.02 Waiver of Claim Manager hereby waives any claim against the Authority and its elected officials, officers, agents or employees for loss of anticipated profits caused by any suit or proceeding directly or indirectly attacking the validity of this Agreement or any part thereof, or by any judgment or award in any suit or proceeding declaring this Agreement null, void or voidable or delaying the same or any part hereof.

18.03 No Warranties or Inducements By executing this Agreement, Manager acknowledges that the Authority does not warrant the validity of any information that may have been furnished to Manager concerning the volume of passengers who have traveled through the Airport in the past, amounts of past parking revenues, amounts of parking space, or historical maintenance and operation costs of the Parking Facilities, and that Authority has not intended to provide or warrant any forecast of future passenger volumes, parking revenues, or maintenance and operations costs for the Parking Facilities; that such information as the Authority has furnished with respect to these and other matters has been intended merely as one source of information available for consideration by Manager which Manager has been encouraged to verify through its own investigation; that in its proposal and negotiations, Manager has relied upon its own resources as to all of these matters; and that it has not relied upon any inducements representations or forecasts of the Authority.

18.04 Restriction and Regulations The operations conducted by Manager pursuant to this Agreement shall be subject to, and Manager acknowledges and agrees that it shall comply with, the following:

A. Any and all applicable rules, regulations, orders and restrictions which are now in force or which may be adopted hereafter by Authority with respect to the operation of the Airport, including restrictions on airline schedules or arrivals and departures;

B. Any and all orders, directions or conditions issued, given or imposed by the Authority with respect to the use of roadways, driveways, curbs, sidewalks, public areas or the Parking Facilities on the Airport; and

C. Any and all applicable laws, ordinances, rules, statutes, regulations or orders, including, but not limited to, environmental statutes, health regulations, regulations or orders of any federal, state or municipal governmental authority lawfully exercising authority over the Airport or Manager's operations, including restrictions on airline schedules of arrivals and departures.

Authority shall not be liable to Manager for any diminution or deprivation of Manager's rights hereunder on account of the exercise of any such authority, nor, except as elsewhere expressly provided in this Agreement, shall Manager be entitled to terminate the whole or any portion of the Agreement by reason thereof unless the exercise of such authority shall so interfere with Manager's operation of the Parking Facilities as to constitute a termination of this Agreement by operation of law in accordance with the laws of the State of North Carolina.

18.05 Interpretation This Agreement and every question arising under

it shall be construed according to its fair meaning in accordance with the Laws of the State of North Carolina. Nothing in this Agreement shall be construed or interpreted in any manner whatsoever as limiting, relinquishing, or waiving of any rights of ownership enjoyed by the Authority in the Airport property or in any manner waiving or limiting its control over the operation or maintenance of Airport property or in derogation of such governmental rights as the Authority possesses, except as is specifically provided for herein.

18.06 Successor and Assigns Bound by Covenant Subject to the limitation on Manager's rights to assign or subcontract its rights or obligations under this Agreement, all covenants, stipulations and agreements in this Agreement shall extend to and bind legal representatives, successors and assigns, including successors-in-interest by merger and consolidation of the respective parties hereto.

18.07 No Partnership Created No agency, partnership, or joint venture relationship between the parties hereto is intended or shall be deemed to be created by this Agreement, and Manager shall not be made the agent or representative of the Authority for any purpose or in any manner whatsoever.

18.08 Manager is Independent Operator It is expressly understood and agreed by and between the parties hereto that the Manager is and shall remain an independent operator responsible to all parties for all of its acts or omissions and the Authority shall be in no way responsible for Manager's acts or omissions.

18.09 Situs and Service of Process Manager agrees all actions or proceedings arising directly or indirectly from this Agreement shall be governed by the laws of the State of North Carolina and shall be litigated only in Asheville City Circuit Court or the United States District Court for the Western District of North Carolina in the City of Asheville in the State of North Carolina and Manager hereby consents to the jurisdiction of such courts located within the City of Asheville, North Carolina, and waives personal service of any and all process upon the Manager herein, and consents that all such service or process shall be made by certified mail, return receipt requested, directed to the Manager at the address hereinafter stated, and service so made shall be complete two (2) days after the same shall have been posted as aforesaid.

18.10 Manager's Dealings with Authority Whenever in this Agreement, the Manager is required or permitted to obtain the approval of, consult with, give notice to, or otherwise deal with the Authority, the Manager shall deal with the Authority's authorized representative; and unless or until the Authority shall give Manager written notice to the contrary, the Authority's authorized representative shall be the Executive Director.

18.11 No Third Party Beneficiaries Each of the parties hereto has entered into this Agreement solely for its own benefit, and it is their intent that no third party shall have a right to claim damages or bring any suit, action or other proceeding by or against either of the parties hereto because of any breach hereof.

18.12 Construction of Agreement Regardless of which party hereto is responsible for the preparation and drafting of this Agreement, it shall not be construed

more strictly against either party.

18.13 Notices Any notice or other communication from either party to the other pursuant to this Agreement shall be deemed given or communicated if hand delivered or sent by certified mail or overnight express carrier, return receipt requested, postage prepaid, addressed to the party for whom intended at the following addresses:

For Manager:

For Authority:

Greater Asheville Regional Airport Authority

61 Terminal Drive, Suite 1

Asheville, North Carolina 28732

Attn: Executive Director

or to such other address as the parties hereto may hereafter direct in writing.

18.14 No Personal Liability No past, present or future member, director, officer, agent or employee of either party shall be charged personally or held contractually liable by or to the other party under any terms or provision of this Agreement or because of its or their execution or attempted execution of such Agreement.

18.15 Incorporation of Exhibits All Exhibits referred to herein, or provisions of other agreements or documents, which may, from time to time, be referred to herein or in any duly executed amendment hereto are (and with respect to future amendment, shall be) by such reference incorporated herein and shall be deemed a part of this Agreement as fully as if set forth herein. Exhibits attached hereto represent the documents of the Authority as of the date of said Exhibits. The Authority reserves the right to make changes in said documents from time to time or anytime as it in its sole determination may find appropriate, except that changes that may affect Manager's expenses of management and operation, including Reimbursements, and Manager's Compensation shall require Manager's written consent.

18.16 Headings The article, section and paragraph headings of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this Agreement.

18.17 Severability If one or more articles, sections, paragraphs, clauses, or provisions of the Agreement shall be held to be unlawful, invalid, or unenforceable, it is agreed that the remainder of the Agreement shall not be affected thereby.

18.18 Survival of Warranties All warranties and covenants set forth in this Agreement shall survive the execution and performance of this Agreement.

18.19 Entire Agreement This Agreement, including the attached exhibits and Manager's proposal dated _____, as modified by subsequent negotiations between Manager and Authority, incorporated herein by reference, embodies the entire agreement between Authority and Manager relating to the subject matter hereof, and supersedes all prior agreements and understandings, written or oral, express or implied, between Authority and Manager relating thereto. In the event of a conflict between Manager's proposal dated _____ and this Agreement, the provisions of this Agreement shall control. This Agreement, including the attached exhibits, may not be changed, modified, discharged or extended except by written amendment duly executed by the parties. This Agreement shall be amended if mandated or required by any present or future federal, state or local law, ordinance, rule, regulation, order or directive, or by any federal or state agency or department, or if necessary to bring this Agreement into compliance with any such law, ordinance, rule, regulation, order or directive.

IN WITNESS WHEREOF, the Greater Asheville Regional Airport Authority has caused this instrument to be signed in its corporate name by its Executive Director, attested by its Secretary, and its corporate seal to be hereunto affixed and Manager has caused this instrument to be signed in the ordinary course of business by the signatures below of its duly authorized representatives as the act of such entity, all effective on the day and year first above written.

MANAGER

GREATER ASHEVILLE REGIONAL
AIRPORT AUTHORITY

By: _____

By: _____

Executive Director

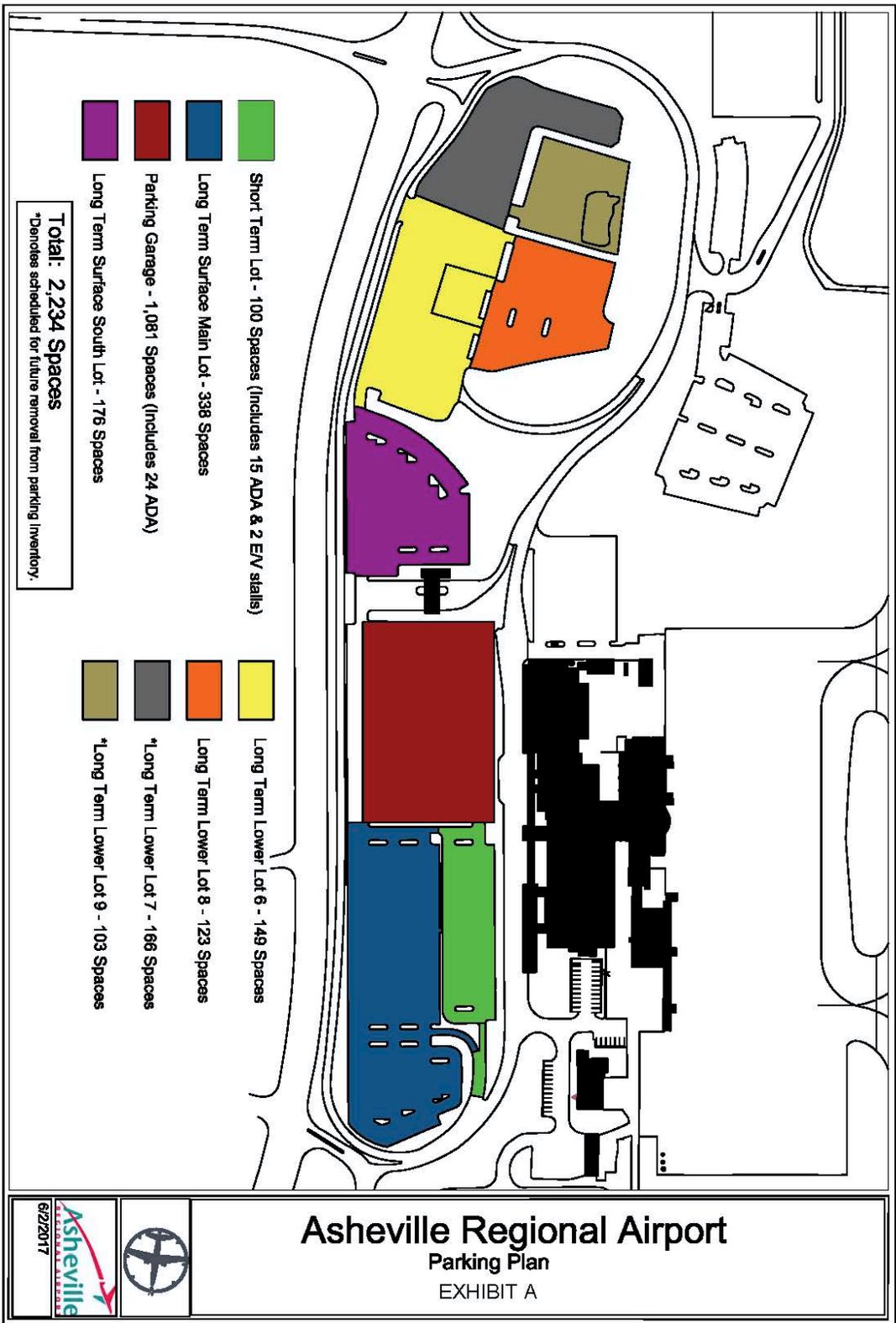
Title: _____

Attest: _____

Attest: _____

EXHIBITS

Exhibit A



Asheville Regional Airport Parking Plan EXHIBIT A



EXHIBIT B
Asheville Regional Airport
Management Agreement – Public Parking Facilities
Parking and Operating Equipment Authority Owned
_____ , 2017

- 6 TIBA MP30 Entry Station
- 16 Magnetic RC1040 Magnetic
- 6 Magnetic KBS01 11 Ft Aluminum Articulated Gate Arm
- 38 CSI L5 Vehicle Detection Loops
- 9 HID Proximity Card Reader - STAFF Integrated
- 3 TIBA SW30 Exit Verifier
- 2 TIBA PRX000MDL Proximity DISPLAY Card Reader
- 2 HID PRX000MIL Proximity Card Reader w/enclosure – STAFF Reversible Lane
- 5 CSI RM101 Card Reader Stanchion
- 6 TIBA 110-1208 Vehicle Detector
- 2 TIBA CT-20 Central Controller
- 1 TIBA SmartPark Single Facility Software License
- 1 TIBA CC Gateway Site Setup Fee
- 1 TIBA EMV Card Processing
- 2 TIBA POS POS Terminal
- 2 TIBA EMV Yomani Desktop EMV
- 3 TIBA EMV Xenoa Contact Reader with Firmware
- 1 CSI CSILRB Latching Relay and Base
- 11 ADI Fiber Converters RS485

EXHIBIT B
Asheville Regional Airport
Management Agreement – Public Parking Facilities
Parking and Operating Equipment Manager Owned
_____ , 2017

<u>Equipment Description</u>	<u>Type</u>	<u>Nos</u>	<u>ID #</u>	<u>Owner</u>	<u>Acquired</u>	<u>Location</u>	<u>Condition</u>
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EXHIBIT B
Asheville Regional Airport
Management Agreement – Public Parking Facilities
Parking and Operating Equipment Manager Owned
_____ , 2017

<u>Equipment</u> <u>Description</u>	<u>Type</u>	<u>Nos</u>	<u>ID #</u>	<u>Owner</u>	<u>Acquired</u>	<u>Location</u>	<u>Condition</u>
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EXHIBIT C
Asheville Regional Airport
Management Agreement - Public Parking Facilities
Amortization Payment - Equipment and Improvements
_____ , 2017

<u>Description of Equipment/ Improvement</u>	<u>Type</u>	<u>Acquisition Date</u>	<u>ID Number</u>	<u>(A) Cost</u>	<u>(B) Interest Cost</u>	<u>(C) Total Cost</u>	<u>(D) Useful Life (Mos)</u>	<u>Monthly Amortization Payment (C)/(D)</u>	<u>Location</u>
--	-------------	-----------------------------	----------------------	---------------------	----------------------------------	-------------------------------	--	---	-----------------

Type Column - Parking Equipment (P), Operating Equipment (O), Improvement (I).

EXHIBIT D
Asheville Regional Airport
Management Agreement - Public Parking Facilities
Approved Parking Charges

Lot

<u>Short-Term</u>	<u>Rate</u>	<u>Daily Maximum</u>
½ Hour (4 hr max)	\$ 1.00	
Day	\$25.00	

<u>Long Term Lot</u>	<u>Rate</u>	<u>Daily Maximum</u>
First Hour	\$1.50	—
Each add'l. Hour	\$1.50	—
Day		\$8.00
		\$48.00/week

EXHIBIT E
Asheville Regional Airport
Management Agreement - Public Parking Facilities
Request For Reimbursement

Month of _____, 2017

Direct Salaries, Wages, and Overtime (Attach certified payroll)

<u>Description</u>	<u>Employees</u>	<u>Hours</u>	<u>Dollars</u>
			\$ _____
TOTAL			\$ _____
Overtime			\$ _____
TOTAL			\$ _____

Fringe Benefit Costs

Direct Salaries and Wages (Including Overtime) for Payroll of Month x Fringe Benefit Rate			\$ _____
TOTAL			

Direct Non-Salary Operating Costs

(Invoices and supporting documentation to be attached)

[Expense categories for reporting these operating costs to be established by Authority and Manager prior to executing the Management Agreement.]

Amortization Payment			\$ _____
TOTAL			\$ _____

Total Reimbursement Request for Month

Manager's Compensation

Manager's Fixed Compensation

Manager's Percentage Compensation

Gross Receipts	\$ _____
Less Adjustments	\$ _____
Adjusted Gross Receipts	\$ _____
Less Reimbursements	\$ _____
Net Operating Revenue	\$ _____
Plus Amortization Payment	\$ _____
Amount Subject to Manager's	\$ _____
Percentage Compensation	

Manager's Percentage Compensation

at _____% of above amount \$ _____

Manager's Compensation for Month

\$ _____

(Greater of Fixed Compensation or Percentage Compensation)

**TOTAL REIMBURSEMENT REQUEST AND
MANAGER'S COMPENSATION FOR MONTH**

\$ _____

EXHIBIT F
Asheville Regional Airport
Management Agreement - Public Parking Facilities
Annual Approved Budget

_____ , 2017 to _____ , 2018

Gross Receipts

Short-term lot		\$ _____
Long-term lot		\$ _____
Other		\$ _____

Adjustments to Gross Receipts \$ _____

Adjusted Gross Receipts \$ _____

Direct Salaries and Wages

Site Manager			\$ _____
Assistant Manager			\$ _____
Cashiers			\$ _____
Maintenance Person			\$ _____
TOTAL			\$ _____

Fringe Benefit Cost

Holiday Pay			\$ _____
Vacation Pay			\$ _____
Social Security			\$ _____
Hospitalization			\$ _____
Pension			\$ _____
Worker's Compensation			\$ _____
Other Payroll Taxes (FUT, SUT)			\$ _____
TOTAL			\$ _____

Fringe Benefit Costs
 ----- = Fringe Benefit Rate
 Direct Salaries and Wages

Direct Non-Salary Operating Expenses

[Expense categories for reporting purposes to be added
prior to executing Management Agreement.] \$ _____

Amortization Payment \$ _____

TOTAL \$ _____

Total Reimbursement \$ _____

Manager's Compensation

Manager's Fixed Compensation \$ _____

Manager's Percentage Compensation

Gross Receipts \$ _____

Less Adjustments \$ _____

Adjusted Gross Receipts \$ _____

Less Reimbursements \$ _____

Net Operating Revenue \$ _____

Plus Amortization Payment \$ _____

Amount Subject to Manager's \$ _____

Percentage Fee

Manager's Compensation at ____% of
Above Amount \$ _____

Manager's Compensation \$ _____

(Greater of Fixed Compensation or Percentage Compensation)

NET REVENUE TO AUTHORITY \$ _____

EXHIBIT G
Asheville Regional Airport
Management Agreement - Public Parking Facilities
Manning Table

_____, 2017

<u>Position</u>	<u>Totals</u>	<u>Monday</u>	<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>	<u>Friday</u>	<u>Saturday</u>	<u>Sunday</u>	<u>Total</u>
-----------------	---------------	---------------	----------------	------------------	-----------------	---------------	-----------------	---------------	--------------

Totals

EXHIBIT H
Asheville Regional Airport
Management Agreement - Public Parking Facilities
Manager's Salary/Wage Table

_____, 2017

<u>Position</u> <u>Category</u>	<u>Name</u>	<u>Annual</u> <u>Salary</u>	<u>Hourly</u> <u>Rate</u>	<u>Overtime</u> <u>Category</u>
------------------------------------	-------------	--------------------------------	------------------------------	------------------------------------

Overtime classifications are as follows: (1) Exempt; (2) Time and one-half over 8 hrs./day; (3) Fixed overtime hourly rate; and (4) Time and one-half over 40 hrs./week.

EXHIBIT H
Asheville Regional Airport
Management Agreement – Public Parking Facilities
Current Staffing Schedule
Cashiering

Shift 1

Shift 2

Shift 3

EXHIBIT I
Asheville Regional Airport
Management Agreement – Public Parking Facilities
Schedule – Maintenance Responsibilities

<u>Facilities/Equipment</u>	<u>Authority</u>	<u>Manager</u>	<u>Notes/Comments</u>
<u>Parking Lot Pavement, Curbs, Islands</u>			
- Structural Repair/Replacement	X		Authority will perform crack sealing, repair sealing, pavement seal coating, repairing and overlaying pavement. Manager responsible for clearing vehicles from area to allow crack sealing
- Ice & Snow Removal/Treatment		X	Manager shall be responsible for snow and ice removal and surface treatment in the entire parking lot. The rental car ready return parking lot is not included
- Cleaning, Sweeping & Debris Removal		X	Manager shall be responsible for cleaning sweeping and debris removal which includes paper, debris, refuse pick-up, and leaves
- Remove/Neutralize Gasoline, Oil, Solvents, Fuels on Pavement Surfaces		X	Manager shall be responsible for removal of these substances from pavement
- Pavement Marking, Striping, Re-Striping, and/or Painting		X	Manager shall schedule and provide for lot striping, marking and/or painting. Schedule to be approved by Authority
<u>Parking Lot Entrance & Exit Lanes, Curbs & Islands</u>			
- Structural Repair	X		Authority shall be responsible for structural repairs in this area
- Ice & Snow Removal/Treatment		X	Manager shall be responsible for snow and ice removal and surface treatment
- Cleaning, Sweeping & Debris Removal		X	Manager shall be responsible for cleaning, sweeping and debris removal including paper, debris, refuse pick-up, leaves, etc.
- Remove/Neutralize Gasoline, Oils, Solvents & Fuels on Pavements and Surfaces		X	Manager shall be responsible for removal of these substances from pavement
- Pavement Marking, Striping, Re-Striping and/or Painting		X	Manager shall schedule marking, striping, Re-striping and/or painting. Schedule to Be approved by Authority

EXHIBIT I

Asheville Regional Airport

Management Agreement – Public Parking Facilities

Schedule – Maintenance Responsibilities

<u>Facilities/Equipment</u>	<u>Authority</u>	<u>Manager</u>	<u>Notes/Comments</u>
<u>Parking Lot Sidewalks & Walkways</u>	X	X	Authority shall be responsible for all structural maintenance repair and replacement. Manager shall be responsible for cleaning, sweeping, debris removal including paper, debris, refuse pick-up, leaves, etc.
<u>Landscaping, Maintenance</u>		X	Manager shall be responsible for mowing, seeding, trimming and trash removal from grass areas, grass islands, planting areas within the parking facility.
- Landscape, Trees & Shrubs	X	X	Authority shall be responsible for replacement of all full-sized trees, and arranging for replacement of all plantings. Manager shall be responsible for routine trimming and pruning
<u>Exit Plaza Facilities, Including Canopy, Islands, Toll Booths, Manager's Office</u>			
- Structural Repair/Replacement	X		Authority shall be responsible for structural repairs and replacement in this area
- Ordinary Repairs/Maintenance of Exterior of Booths & Canopy, Including Painting	X		Authority shall be responsible
- Ordinary Repairs/Maintenance of Booths and Manager's Office, Except Plumbing, Heating and Electrical	X	X	Authority will make repairs to plumbing, HVAC and electrical in Manager's office. Manager will be responsible for housekeeping, cleaning interior painting, and its equipment and personal property
- Cleaning, Sweeping & Debris Removal		X	Manager shall be responsible for cleaning, sweeping & debris removal including paper, debris, refuse pick-up, leaves, etc.
<u>Parking Lot Underground Electrical Systems</u>	X		Authority will be responsible for maintenance and repair to general electrical systems, and lighting, excluding interior and exterior connections to parking equipment

EXHIBIT I
Asheville Regional Airport
Management Agreement – Public Parking Facilities
Schedule – Maintenance Responsibilities

<u>Facilities/Equipment</u>	<u>Authority</u>	<u>Manager</u>	<u>Notes/Comments</u>
<u>Parking Lot Lighting & Relamping</u>	X		Authority shall be responsible for maintenance of parking lot lighting fixtures
<u>Parking Lot Drainage & Storm Water Systems</u>	X		Authority shall be responsible for drainage and storm water systems in parking lot. Rental car ready return lot is not included
<u>Parking Equipment</u>		X	Manager shall be responsible for all repairs, replacements & maintenance
<u>Operating Equipment</u>		X	Manager shall be responsible for all repairs, replacements & maintenance
<u>Irrigation System</u>	X		
<u>Signage</u>	X		Authority will be responsible for all repairs, replacements & maintenance of signage inside parking facilities including row locator signs on light poles
<u>Parking Garage</u>			
- Structural Repair	X		Authority shall be responsible for structural repairs
- Ice & Snow Removal Treatment		X	Manager shall be responsible for snow and ice removal and surface treatment
- Cleaning, Sweeping, Debris Removal		X	Manager shall be responsible for cleaning, sweeping, debris removal including paper, debris, refuse pick-up, leaves, etc.
- Remove/Neutralize Gasoline, Oil, Solvents, Fuels on Pavement and Surfaces		X	Manager shall be responsible for removal of these substances from pavement
- Pavement Marking, Striping, Re-Striping and/or Painting and/or Repainting. Schedule to be Approved by Authority		X	Manager shall be responsible for scheduling and provide for striping, marking, and/or painting
- Windows, Daily Spot Cleaning		X	Manager shall be responsible for daily spot cleaning of glass in three stairwells and elevators

EXHIBIT I
Asheville Regional Airport
Management Agreement – Public Parking Facilities
Schedule – Maintenance Responsibilities

<u>Facilities/Equipment</u>	<u>Authority</u>	<u>Manager</u>	<u>Notes/Comments</u>
- Window Cleaning	X		Authority shall be responsible for cleaning of glass, other than daily spot cleaning on a semi-annual basis
- Parking Equipment		X	Manager will be responsible for all repairs, replacements and maintenance
- Operating Equipment		X	Manager will be responsible for all repairs
- Electrical Systems	X		Authority shall be responsible for maintenance and repair to general electrical systems and lighting
- Elevators	X	X	Authority responsible for maintenance and elevator systems. Manager responsible for daily cleaning, including floors, stainless steel walls and glass
- Vestibules		X	Manager responsible for daily cleaning of vestibules
- Stairwells		X	Manager responsible for daily cleaning of three stairwells including spot cleaning of accessible glass and all stainless steel handrails

EXHIBIT J
Asheville Regional Airport Authority
Public Parking Facility Construction
Completion and Labor and Material Payment Bond Form

KNOW ALL MEN BY THESE PRESENTS:

that _____
(Insert full name or legal title and address of Principal)

(hereinafter referred to as "Principal"),
and _____
(Insert full name or legal title and address of Surety)

a corporation duly organized under the laws of the state of _____ and legally authorized to do business in the State of North Carolina (hereinafter referred to as "Surety"), are held and firmly bound unto the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY, 61 Terminal Drive Suite 1, Fletcher, North Carolina 28732, as Obligee (hereinafter referred to as "Authority"), in the amount of DOLLARS (here insert the amount of the contract between Principal and its contractor for construction)

(\$ _____), for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has entered into a certain Management Agreement with Authority effective _____, to manage and operate parking facilities at the Asheville Regional Airport, ("Management Agreement") including: (i) an obligation to install, construct and complete certain improvements to the managed premises for Principal's public parking facility operations; and (ii) an obligation to make proper payment when due of all persons supplying labor and materials in the construction of such improvements (hereby referred to as the "Improvements"), all in accordance with the terms and conditions of the Management Agreement and plans and specifications to be approved by the Authority, which Management Agreement and final plans and specifications are attached hereto and expressly incorporated herein and made a part of this bond.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal shall promptly and faithfully install, construct and complete or provide for the installation, construction and completion of the Improvements, in strict conformity with each and every term, condition, obligation, and requirement of the Management Agreement, including without limitation, completion of installation and construction of the Improvements within the required time period, and prompt and full payment when due to all Claimants, as hereinafter defined,

for all material furnished or labor supplied or performed in the prosecution of the Improvements, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

- a. Any alteration, modification, omission, or addition which may be made in or to the terms of the Management Agreement, including, without limitation, the work to be done or the amount to be paid, or the giving by the Authority of any extension of time for the performance of the Management Agreement or any other forbearance of any nature whatsoever on the part of either the Authority or the Principal to the other shall not in any way affect or release the Principal and the Surety, or either of them, their heirs, executors, administrators, successors or assigns with regard to their obligations and liability hereunder, and notice of such alteration, extension or forbearance is hereby expressly waived by Surety.
- b. A Claimant is defined as one who has and fulfills a contract to supply labor or materials, or both, including, without limitation, any subcontractor, in the prosecution of the installation and construction of the Improvements provided for in the Management Agreement, labor and material being construed to include, without limitation, public utility services and reasonable rentals of equipment, but only for periods when the equipment rented is actually used at the site.
- c. IT IS NOT INTENDED BY ANY OF THE PROVISIONS OF ANY PART OF THIS BOND TO CONFER A BENEFIT UPON ANY OTHER PERSON OR ENTITY NOT A PARTY TO THIS PERFORMANCE BOND OR TO AUTHORIZE ANY PERSON OR ENTITY NOT A PARTY TO THIS BOND TO MAINTAIN A SUIT PURSUANT TO THE TERMS OR PROVISIONS OF THIS BOND OTHER THAN THE AUTHORITY OR ITS SUCCESSORS OR ASSIGNS.
- d. Any suit or action hereunder shall be brought in a North Carolina court of competent jurisdiction in and for the City of Asheville, or in the United States District Court for the Western District of North Carolina, Asheville Division, and not elsewhere. The Principal and Surety expressly agree that Authority shall not be liable for and to defend, indemnify, and hold Authority harmless from the payment of any judgment, costs or expenses resulting from any suit to recover amounts due for labor or materials supplied or provided in the construction of the Improvements and that neither Principal nor Surety shall cause Authority, or its officers, officials, or employees, to be named as a party in any such suit.
- e. The provisions of this bond shall be governed by and interpreted to be consistent with the laws of the State of North Carolina.

SIGNED and SEALED this _____ day of _____, 20 _____,
in the presence of:

Principal

WITNESS:

By: _____ (Seal)

(Type Name and Title)

Surety

WITNESS:

By: _____ (Seal)

Attorney-In-Fact

(SURETY: Attach Power of Attorney)

(Type Name and Title)

EXHIBIT K
Asheville Regional Airport
Management Agreement - Public Parking Facilities
Performance Bond Form

KNOW ALL MEN BY THESE PRESENTS:

that _____
(Insert full name or legal title and address of Principal)

as Principal, (hereinafter referred to as "Contractor"),

and _____
(Insert full name or legal title and address of Surety)

a corporation duly organized under the laws of the state of _____ and legally authorized to do business in the State of North Carolina (hereinafter referred to as "Surety"), are held and firmly bound unto the GREATER ASHEVILLE REGIONAL AIRPORT AUTHORITY 61 Terminal Drive, Fletcher, North Carolina 28732, as Obligee (hereinafter referred to as "Authority"), in the amount of \$300,000.00, for the payment whereof Principal and Surety bind themselves, their heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal has entered into a written Management Agreement with Authority effective _____, 20_____, ("Agreement") wherein Authority has retained Principal to manage and operate the Public/Parking Facilities at the Asheville Regional Airport in accordance with the terms and conditions of said/Agreement, including, without limitation, Principal's deposit and payment of Gross Receipts to Authority, as well as all other covenants, agreements, and obligations to be performed or paid by Principal, a copy of said Agreement being attached to and expressly incorporated by reference herein and made a part hereof.

NOW, THEREFORE, THE CONDITION OF THIS OBLIGATION is such that if the Principal, its executors, administrators, successors and assigns, shall promptly and faithfully perform the Agreement, in strict conformity with each and every term, condition, obligation, and requirement thereof, then this obligation shall be null and void; otherwise, it shall remain in full force and effect, as stated herein.

a. It is understood and agreed among the parties hereto that this bond shall be valid and in full force and effect for an initial term beginning _____, 2017, and ending _____, 2018 and that this bond shall thereafter be annually continued from year to year in the appropriate amount required under the Management Agreement by the issuance of a continuance certificate executed by Surety unless Surety shall give Greater Asheville Regional Airport Authority written notice at least 30 days prior to the end of any one year term of its intention not to continue the bond for the next one year term. It is further understood and agreed that the liability of the Surety under any such continued term(s) of this bond shall be successive in the amount of the continued bond and shall not be cumulative.

b. Any alteration, modification, omission, or addition which may be made in or to the terms of the Agreement, including, without limitation, the amount to be paid under it, or the giving by the Authority of any extension of time for the performance of the Agreement or any other forbearance

of any nature whatsoever on the part of either the Authority or the Principal to the other shall not in any way affect or release the Principal and the Surety, or either of them, their heirs, executors, administrators, successors or assigns with regard to their obligations and liability hereunder, and notice of such alteration, extension or forbearance is hereby expressly waived by Surety.

c. IT IS NOT INTENDED BY ANY OF THE PROVISIONS OF ANY PART OF THIS BOND TO CONFER A BENEFIT UPON ANY OTHER PERSON OR ENTITY NOT A PARTY TO THIS PERFORMANCE BOND OR TO AUTHORIZE ANY PERSON OR ENTITY NOT A PARTY TO THIS BOND TO MAINTAIN A SUIT PURSUANT TO THE TERMS OR PROVISIONS OF THIS BOND OTHER THAN THE AUTHORITY OR ITS SUCCESSORS OR ASSIGNS.

d. Any suit or action hereunder shall be brought in a North Carolina court of competent jurisdiction in and for the City of Asheville, or in the United States District Court for the Western District of North Carolina, Asheville Division, and not elsewhere.

e. The provisions of this bond shall be governed by and interpreted to be consistent with the laws of the State of North Carolina.

SIGNED and SEALED this _____ day of _____, 20 _____, in the presence of:

Principal

WITNESS:

By: _____ (Seal)

(Type Name and Title)

Surety

WITNESS:

By: _____ (Seal)

Attorney-In-Fact

(SURETY: Attach Power of Attorney)

(Type Name and Title)



MEMORANDUM

TO: Members of the Airport Authority
FROM: Lew Bleiweis, A.A.E., Executive Director
DATE: August 11, 2017

ITEM DESCRIPTION – Information Section Item A

June, 2017 Traffic Report – Asheville Regional Airport

SUMMARY

June, 2017 overall passenger traffic numbers were up 9.8% compared to the same period last year. Passenger traffic numbers reflect a 10.6% increase in passenger enplanements from June, 2016. Enplanements for Fiscal Year to Date total 450,406 which is a 13.9% increase over the same period last year.

AIRLINE PERFORMANCE

Allegiant Airlines: Year over Year passenger enplanements for Allegiant in June 2017 were up by 5.9%. There were no flight cancellations for the month.

American Airlines: American's June 2017 passenger enplanements represent a 10.7% increase over the same period last year. There were three (3) flight cancellations for the month.

Delta Airlines: Delta's June 2017 enplanements decreased by 6.1% compared to June 2016. There were no flight cancellations for the month.

United Airlines: In June 2017, United Airlines saw an increase in enplanements by 67.8% over the same period last year. There was one (1) flight cancellation for the month.

Monthly Traffic Report

Asheville Regional Airport

June 2017



Category	Jun 2017	Jun 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change	*MOV12-2017	*MOV12-2016	Percentage Change
Passenger Traffic									
Enplaned	45,651	41,280	10.6%	203,065	175,902	15.4%	441,769	388,259	13.8%
Deplaned	<u>46,196</u>	<u>42,336</u>	9.1%	<u>204,437</u>	<u>175,737</u>	16.3%	<u>440,742</u>	<u>387,851</u>	13.6%
Total	91,847	83,616	9.8%	407,502	351,639	15.9%	882,511	776,110	13.7%
Aircraft Operations									
Airlines	734	652	12.6%	3,579	2,813	27.2%	7,296	6,115	19.3%
Commuter /Air Taxi	<u>990</u>	<u>1,016</u>	-2.6%	4,427	4,553	-2.8%	9,718	10,360	-6.2%
Subtotal	<u>1,724</u>	<u>1,668</u>	3.4%	<u>8,006</u>	<u>7,366</u>	8.7%	<u>17,014</u>	<u>16,475</u>	3.3%
General Aviation	3,972	3,899	1.9%	19,351	21,224	-8.8%	41,516	44,458	-6.6%
Military	<u>513</u>	<u>484</u>	6.0%	<u>2,108</u>	<u>2,042</u>	3.2%	<u>4,280</u>	<u>4,789</u>	-10.6%
Subtotal	<u>4,485</u>	<u>4,383</u>	2.3%	<u>21,459</u>	<u>23,266</u>	-7.8%	<u>45,796</u>	<u>49,247</u>	-7.0%
Total	6,209	6,051	2.6%	29,465	30,632	-3.8%	62,810	65,722	-4.4%
Fuel Gallons									
100LL	7,954	16,779	-52.6%	66,657	80,184	-16.9%	157,633	171,615	-8.1%
Jet A (GA)	154,133	124,518	23.8%	552,402	529,500	4.3%	1,324,714	1,188,345	11.5%
Subtotal	<u>162,087</u>	<u>141,297</u>	14.7%	<u>619,059</u>	<u>609,684</u>	1.5%	<u>1,482,347</u>	<u>1,359,960</u>	9.0%
Jet A (A/L)	<u>370,759</u>	<u>271,192</u>	36.7%	<u>1,514,898</u>	<u>1,047,150</u>	44.7%	<u>3,094,246</u>	<u>2,663,573</u>	16.2%
Total	532,846	412,489	29.2%	2,133,957	1,656,834	28.8%	4,576,593	4,023,533	13.7%

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

Tuesday, July 25, 2017

Airline Enplanements, Seats, and Load Factors

Asheville Regional Airport

June 2017



	Jun 2017	Jun 2016	Percentage Change	*CYTD-2017	*CYTD-2016	Percentage Change
Allegiant Air						
Enplanements	15,164	14,314	5.9%	61,418	50,913	20.6%
Seats	17,286	17,030	1.5%	72,576	59,505	22.0%
Load Factor	87.7%	84.1%	4.4%	84.6%	85.6%	-1.1%
American Airlines						
Enplanements	9,550	8,624	10.7%	44,843	43,162	3.9%
Seats	13,443	10,423	29.0%	62,963	58,920	6.9%
Load Factor	71.0%	82.7%	-14.1%	71.2%	73.3%	-2.8%
Delta Air Lines						
Enplanements	12,759	13,588	-6.1%	63,411	65,900	-3.8%
Seats	15,745	16,986	-7.3%	82,267	84,155	-2.2%
Load Factor	81.0%	80.0%	1.3%	77.1%	78.3%	-1.6%
Elite Airways						
Enplanements	200	0	#Div/0!	241	0	#Div/0!
Seats	450	0	#Div/0!	550	0	#Div/0!
Load Factor	44.4%	#Num!	#Type!	43.8%	#Num!	#Type!
United Airlines						
Enplanements	7,978	4,754	67.8%	33,152	15,927	108.1%
Seats	9,510	5,466	74.0%	41,908	18,548	125.9%
Load Factor	83.9%	87.0%	-3.5%	79.1%	85.9%	-7.9%
Totals						
Enplanements	45,651	41,280	10.6%	203,065	175,902	15.4%
Seats	56,434	49,905	13.1%	260,264	221,128	17.7%
Load Factor	80.9%	82.7%	-2.2%	78.0%	79.5%	-1.9%

Tuesday, July 25, 2017

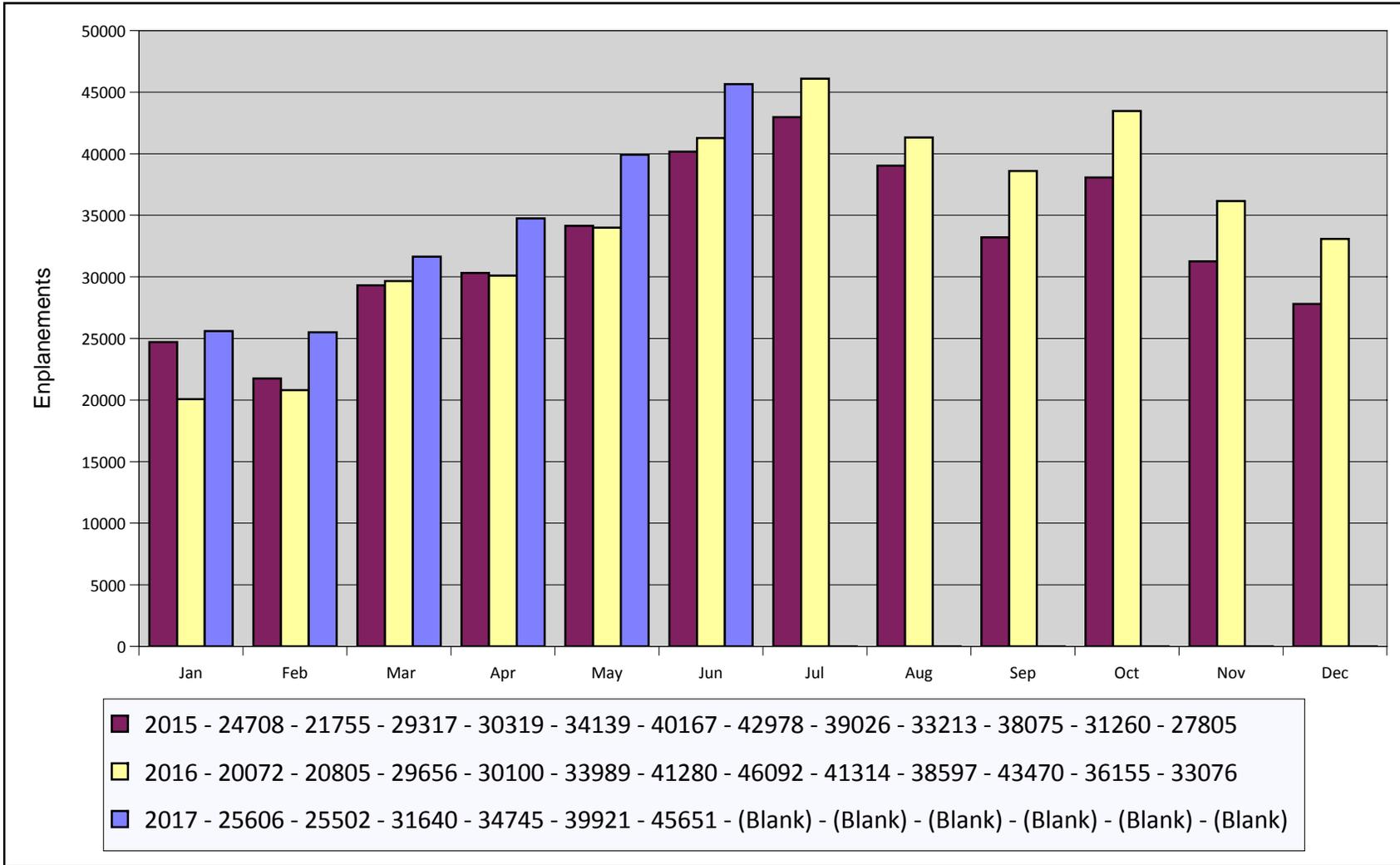
*CTYD = Calendar Year to Date and *Mov12 = Moving Twelve Months.

Airline Flight Completions Asheville Regional Airport June 2017

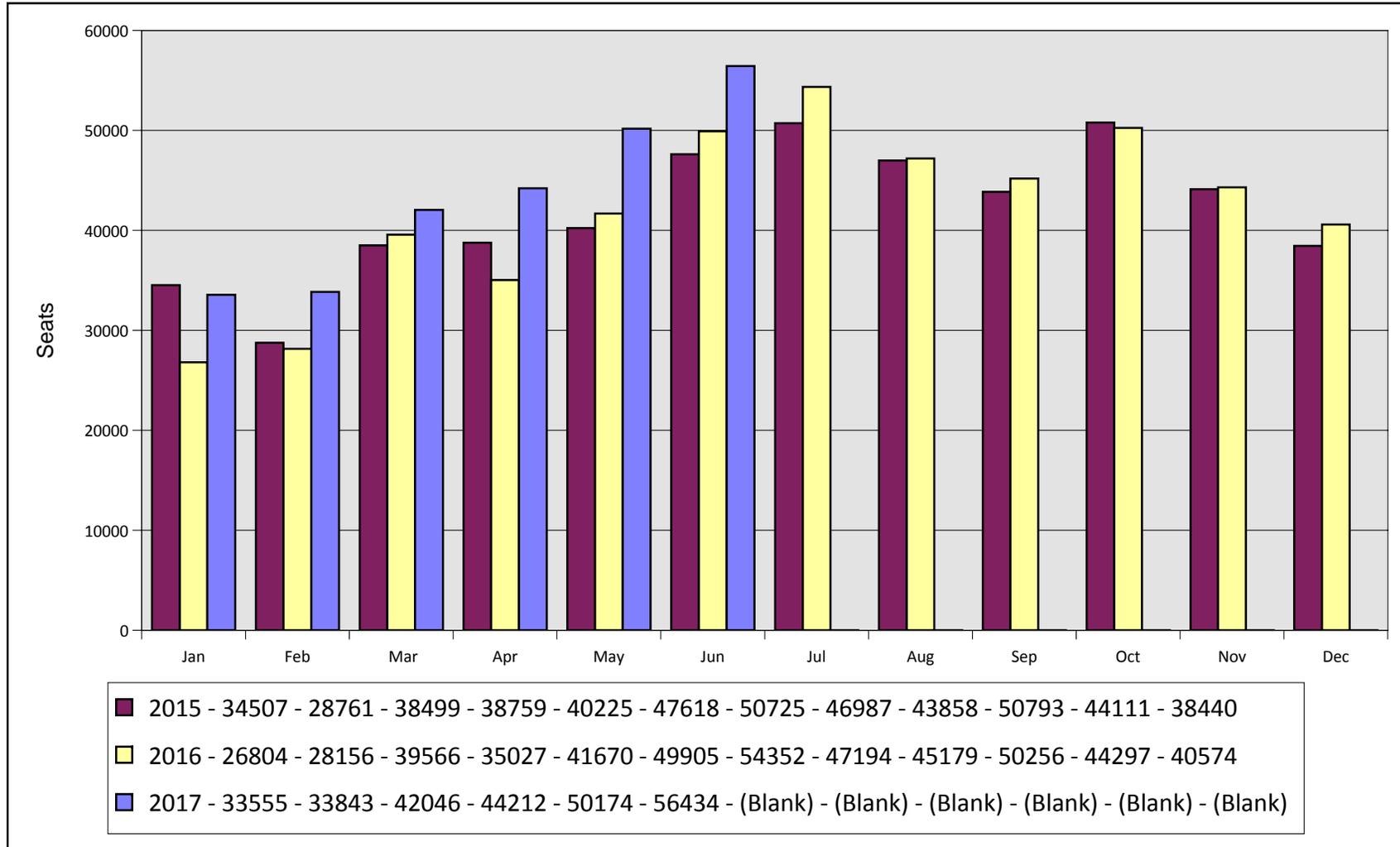


Airline	Scheduled Flights	Field	Cancellations Due To			Total Cancellations	Percentage of Completed
			Mechanical	Weather	Other		
Allegiant Air	113	0	0	0	0	0	100.0%
American Airlines	233	0	3	0	0	3	97.4%
Delta Air Lines	216	0	0	0	0	0	100.0%
Elite Airways	9	0	0	0	0	0	100.0%
United Airlines	141	0	0	1	0	1	99.3%
Total	712	0	3	1	0	4	99.4%

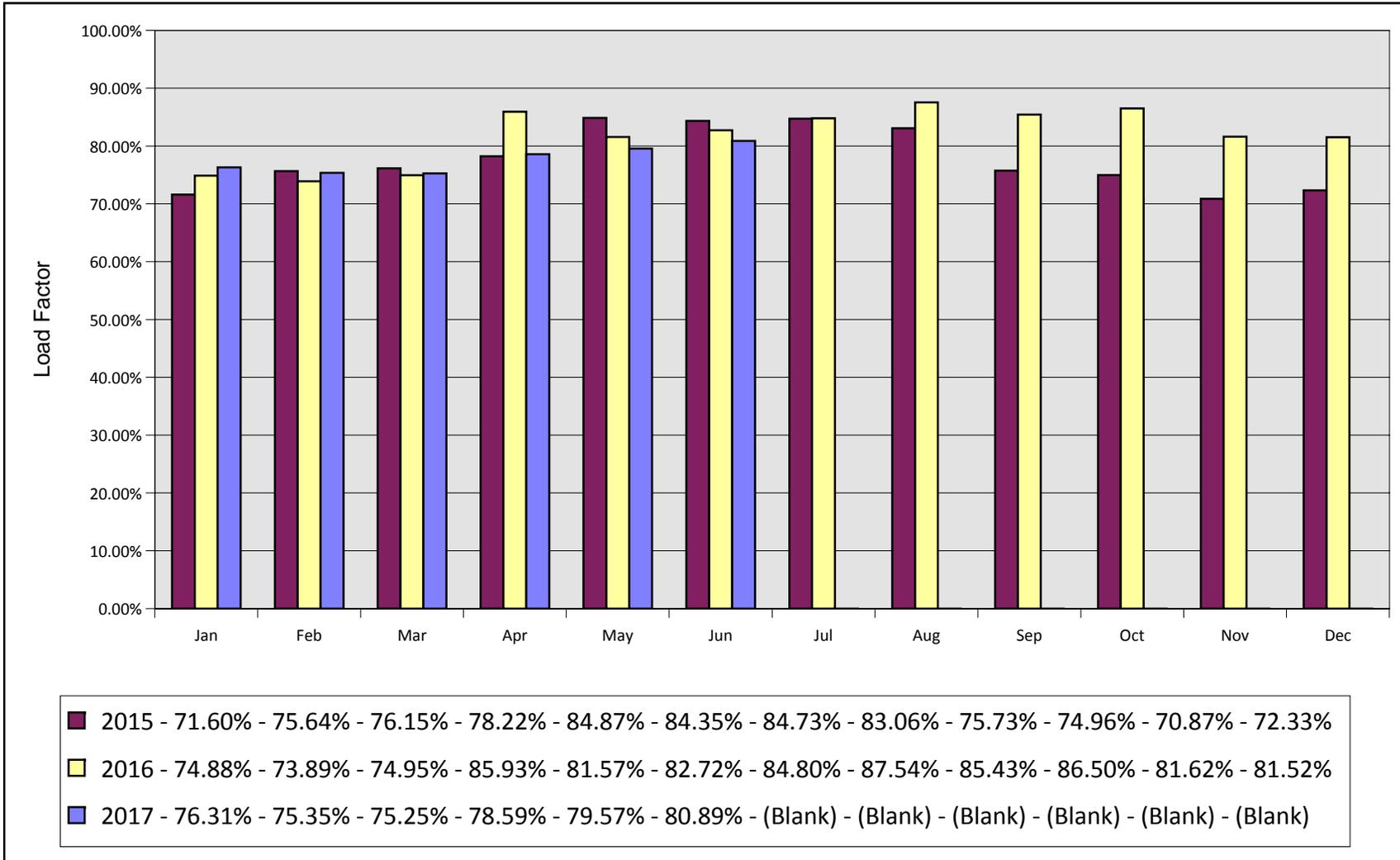
Monthly Enplanements By Year Asheville Regional Airport



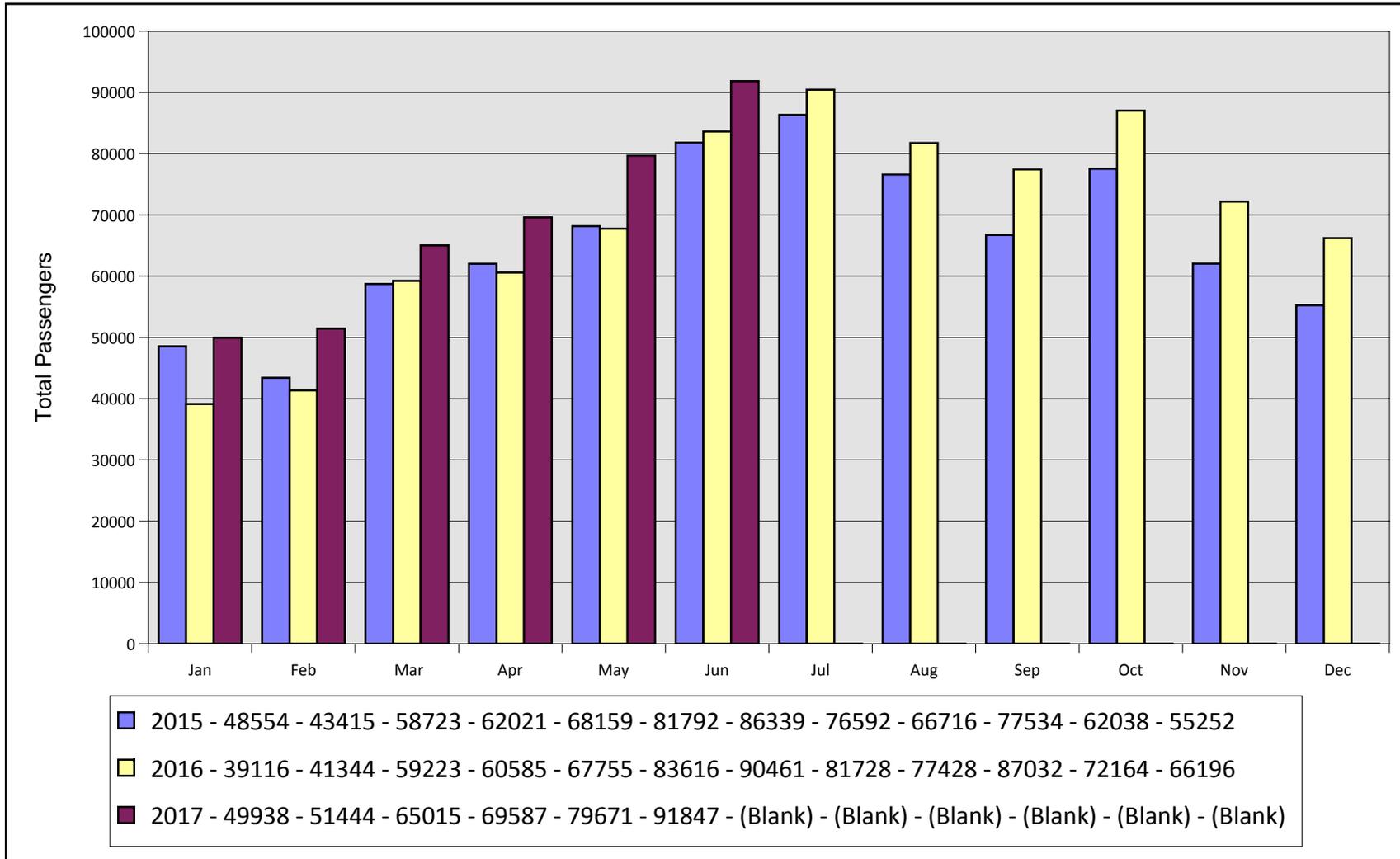
Monthly Seats By Year Asheville Regional Airport



Monthly Load Factors By Year Asheville Regional Airport

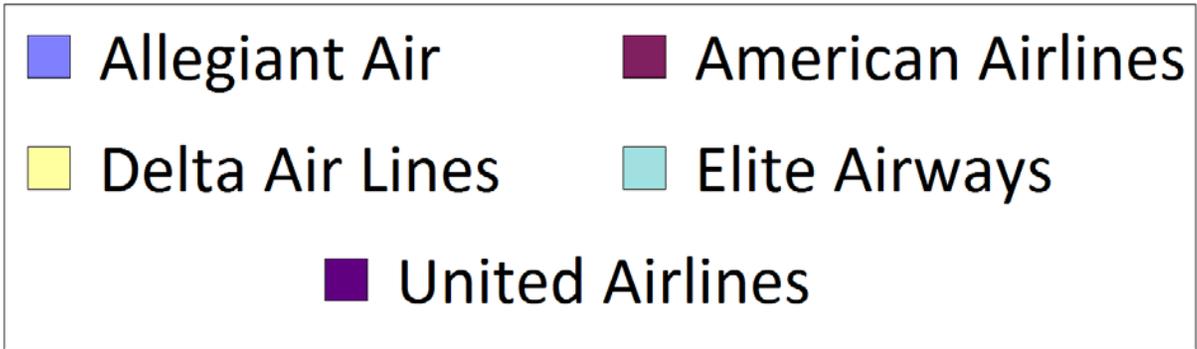
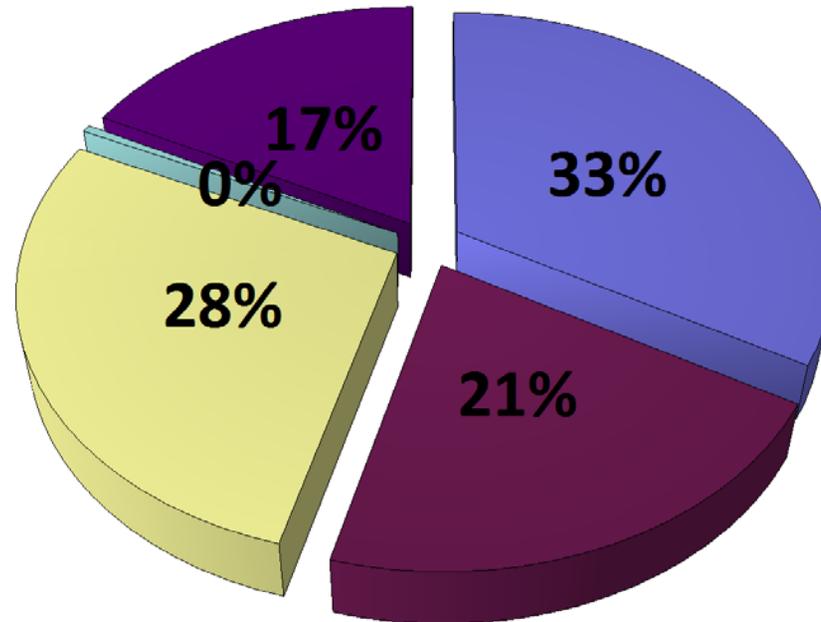


Total Monthly Passengers By Year Asheville Regional Airport



Airline Market Share Analysis (Enplanements) Asheville Regional Airport

Report Period From June 2017 Through June 2017



Travel Period			Aug 2017		Aug 2016		Diff		Percent Diff		
Mkt AI	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
7Q	AVL	VRB	551	2	94	0	0	2	94		
7Q	VRB	AVL	551	2	94	0	0	2	94		
AA	AVL	CLT	92	54	3,194	47	2,652	7	542	14.9%	20.4%
AA	CLT	AVL	92	54	3,194	47	2,652	7	542	14.9%	20.4%
DL	ATL	AVL	164	48	3,304	52	3,693	(4)	(389)	(7.7%)	(10.5%)
DL	AVL	ATL	164	48	3,338	52	3,693	(4)	(355)	(7.7%)	(9.6%)
DL	AVL	LGA	599	1	69	1	50	0	19	0.0%	38.0%
DL	LGA	AVL	599	1	69	1	50	0	19	0.0%	38.0%
G4	AVL	BWI	414	3	498	2	332	1	166	50.0%	50.0%
G4	AVL	EWR	583	3	498	0	0	3	498		
G4	AVL	FLL	660	5	885	4	675	1	210	25.0%	31.1%
G4	AVL	JAX	345	0	0	2	332	(2)	(332)	(100.0%)	(100.0%)
G4	AVL	PBI	620	0	0	3	498	(3)	(498)	(100.0%)	(100.0%)
G4	AVL	PGD	588	4	697	4	664	0	33	0.0%	5.0%
G4	AVL	PIE	518	4	686	5	841	(1)	(155)	(20.0%)	(18.4%)
G4	AVL	SFB	465	3	509	3	498	0	11	0.0%	2.2%
G4	BWI	AVL	414	3	498	2	332	1	166	50.0%	50.0%
G4	EWR	AVL	583	3	498	0	0	3	498		
G4	FLL	AVL	660	5	885	4	675	1	210	25.0%	31.1%
G4	JAX	AVL	345	0	0	2	332	(2)	(332)	(100.0%)	(100.0%)
G4	PBI	AVL	620	0	0	3	498	(3)	(498)	(100.0%)	(100.0%)
G4	PGD	AVL	588	4	697	4	664	0	33	0.0%	5.0%
G4	PIE	AVL	518	4	686	5	841	(1)	(155)	(20.0%)	(18.4%)
G4	SFB	AVL	465	3	509	3	498	0	11	0.0%	2.2%
UA	AVL	EWR	583	7	1,050	7	350	0	700	0.0%	200.0%
UA	AVL	ORD	536	28	1,400	22	1,100	6	300	27.3%	27.3%
UA	EWR	AVL	583	7	1,050	7	350	0	700	0.0%	200.0%
UA	ORD	AVL	536	28	1,400	22	1,100	6	300	27.3%	27.3%
TOTAL				324	25,802	304	23,370	20	2,432	6.6%	10.4%

Travel Period			Sep 2017		Sep 2016		Diff		Percent Diff		
Mkt AI	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
7Q	AVL	VRB	551	2	94	0	0	2	94		
7Q	VRB	AVL	551	2	94	0	0	2	94		
AA	AVL	CLT	92	59	3,108	46	2,897	13	211	28.3%	7.3%
AA	CLT	AVL	92	59	3,108	46	2,897	13	211	28.3%	7.3%
DL	ATL	AVL	164	54	3,347	48	3,336	6	11	12.5%	0.3%
DL	AVL	ATL	164	54	3,347	48	3,336	6	11	12.5%	0.3%
G4	AVL	BWI	414	2	354	2	332	0	22	0.0%	6.6%
G4	AVL	EWR	583	2	332	0	0	2	332		
G4	AVL	FLL	660	4	708	5	863	(1)	(155)	(20.0%)	(18.0%)
G4	AVL	PGD	588	4	697	3	520	1	177	33.3%	34.0%
G4	AVL	PIE	518	3	509	3	509	0	0	0.0%	0.0%
G4	AVL	SFB	465	3	509	3	509	0	0	0.0%	0.0%
G4	BWI	AVL	414	2	354	2	332	0	22	0.0%	6.6%
G4	EWR	AVL	583	2	332	0	0	2	332		
G4	FLL	AVL	660	4	708	5	863	(1)	(155)	(20.0%)	(18.0%)
G4	PGD	AVL	588	4	697	3	520	1	177	33.3%	34.0%
G4	PIE	AVL	518	3	509	3	509	0	0	0.0%	0.0%
G4	SFB	AVL	465	3	509	3	509	0	0	0.0%	0.0%
UA	AVL	EWR	583	7	826	7	350	0	476	0.0%	136.0%
UA	AVL	ORD	536	28	1,400	25	1,250	3	150	12.0%	12.0%
UA	EWR	AVL	583	7	826	7	350	0	476	0.0%	136.0%
UA	ORD	AVL	536	28	1,400	25	1,250	3	150	12.0%	12.0%
TOTAL				336	23,768	284	21,132	52	2,636	18.3%	12.5%

Travel Period			Oct 2017		Oct 2016		Diff		Percent Diff		
Mkt AI	Orig	Dest	Miles	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats	Ops/Week	Seats
7Q	AVL	VRB	551	2	94	0	0	2	94		
7Q	VRB	AVL	551	2	94	0	0	2	94		
AA	AVL	CLT	92	53	3,118	46	2,888	7	230	15.2%	8.0%
AA	CLT	AVL	92	53	3,118	46	2,888	7	230	15.2%	8.0%
DL	ATL	AVL	164	54	3,621	48	3,720	6	(99)	12.5%	(2.7%)
DL	AVL	ATL	164	54	3,681	48	3,720	6	(39)	12.5%	(1.0%)
G4	AVL	BWI	414	2	332	2	332	0	0	0.0%	0.0%
G4	AVL	EWR	583	2	332	0	0	2	332		
G4	AVL	FLL	660	8	1,361	6	1,018	2	343	33.3%	33.7%
G4	AVL	PGD	588	5	852	4	697	1	155	25.0%	22.2%
G4	AVL	PIE	518	7	1,206	6	1,029	1	177	16.7%	17.2%
G4	AVL	SFB	465	6	996	4	664	2	332	50.0%	50.0%
G4	BWI	AVL	414	2	332	2	332	0	0	0.0%	0.0%
G4	EWR	AVL	583	2	332	0	0	2	332		
G4	FLL	AVL	660	8	1,361	6	1,018	2	343	33.3%	33.7%
G4	PGD	AVL	588	5	852	4	697	1	155	25.0%	22.2%
G4	PIE	AVL	518	7	1,206	6	1,029	1	177	16.7%	17.2%
G4	SFB	AVL	465	6	996	4	664	2	332	50.0%	50.0%
UA	AVL	EWR	583	7	826	7	350	0	476	0.0%	136.0%
UA	AVL	ORD	536	28	1,400	25	1,250	3	150	12.0%	12.0%
UA	EWR	AVL	583	7	826	7	350	0	476	0.0%	136.0%
UA	ORD	AVL	536	28	1,400	25	1,250	3	150	12.0%	12.0%
TOTAL				348	28,336	296	23,896	52	4,440	17.6%	18.6%



MEMORANDUM

TO: Members of the Airport Authority
FROM: Janet Burnette, Director of Finance & Accounting
DATE: August 11, 2017

ITEM DESCRIPTION – Information Section Item B

Greater Asheville Regional Airport – Explanation of Extraordinary Variances
Month of June 2017 (Month 12 of FY2017)

SUMMARY

Operating Revenues for the month of June were \$1,078,756, 18.56% over budget. Operating Expenses for the month were \$1,029,219, 6.63% over budget. As a result, Net Operating Revenues before Depreciation were \$49,537, 189.51% over budget. Net Non-Operating Revenues were \$338,168, 10.93% over budget.

Year-to-date Operating Revenues were \$10,606,846, 10.60% over budget. Year-to-date Operating Expenses were \$8,648,227, 11.68% below budget. Year-to-date Net Operating Revenues before Depreciation were \$1,958,619, 1,073.32% over budget. Net Non-Operating Revenues for the year were \$3,165,883, 4.19% over budget.

REVENUES

Significant variations to budget for June were:

Concessions	\$20,192	48.32%	Enplanements and advertising revenue over budget
Auto Parking	\$48,885	17.42%	Enplanements over budget
Rental Car – Car Rentals	\$80,662	65.27%	Enplanements over budget



EXPENSES

Significant variations to budget for June were:

Professional Services	(\$30,315)	(57.62%)	No June invoices for FAA sponsorship related costs
Other Contractual Services	\$100,690	81.30%	Parking and shuttle – paid two months; previous two months were under budget
Travel & Training	(\$17,875)	(57.10%)	Travel less than anticipated
Emergency Repair	\$93,902	441.89%	Tower glass installed

STATEMENT OF NET ASSETS

Significant variations to prior month were:

Cash and Cash Equivalents – Cash and Cash Equivalents decreased by 953k mainly due to parking garage construction.

Grants Receivable – Grants Receivable decreased by 83k due to receipt of FAA AIP funding.

Construction in Progress – Construction in Progress increased by \$3,717k mainly due to the Airfield Redevelopment project and the parking garage.

Property and Equipment, Net – Property and Equipment, Net decreased by \$391k due to depreciation.

**ASHEVILLE REGIONAL AIRPORT
INVESTMENT AND INTEREST INCOME SUMMARY
As of June 30, 2017**

<u>Institution:</u>	<u>Interest Rate</u>	<u>Investment Amount</u>	<u>Monthly Interest</u>
Bank of America - Operating Account	0.20%	\$ 9,517,282	1,440
First Citizens - Money Market Account	0.05%	6,393,181	263
NC Capital Management Trust - Cash Portfolio		17,286	10
NC Capital Management Trust - Term Portfolio		3,046,196	2,559
Petty Cash		200	
 <u>Restricted Cash:</u>			
BNY Mellon		8,742,649	8,310
Bank of America - PFC Revenue Account	0.20%	7,035,024	1,148
		1,211,202	
Total		<u>\$ 35,963,020</u>	<u>\$ 13,730</u>

Investment Diversification:

Banks	91%
NC Capital Management Trust	9%
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 June 30, 2017

	<u>Current Month</u>	<u>Prior Period</u>
Cash and Investments Beginning of Period	\$ 36,916,508	\$ 37,218,245
Net Income/(Loss) Before Capital Contributions	(259,715)	104,260
Depreciation	391,221	391,221
Decrease/(Increase) in Receivables	(163,253)	467,073
Increase/(Decrease) in Payables	110,779	715,515
Decrease/(Increase) in Prepaid Expenses	17,177	8,243
Decrease/(Increase) in Fixed Assets	(3,717,858)	(3,593,409)
Principal Payments of Bond Maturities	254,464	-
Capital Contributions	2,413,697	1,605,360
Increase(Decrease) in Cash	(953,488)	(301,737)
Cash and Investments End of Period	\$ 35,963,020	\$ 36,916,508

Asheville Regional Airport
Detailed Statement of Revenue, Expenses and Changes in Net Assets
For the Month Ending June 31, 2017

	<u>Current Month Actual</u>	<u>Current Month Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Variance \$</u>	<u>Variance %</u>	<u>Annual Budget</u>
Operating Revenue:									
Terminal Space Rentals - Non Airline	\$19,978	\$17,445	\$2,533	14.52%	\$229,688	\$215,060	\$14,628	6.80%	\$215,060
Terminal Space Rentals - Airline	152,211	147,498	4,713	3.20%	1,632,012	1,469,851	162,161	11.03%	1,469,851
Concessions	61,984	41,792	20,192	48.32%	543,962	422,180	121,782	28.85%	422,180
Auto Parking	329,485	280,600	48,885	17.42%	3,461,394	2,820,000	641,394	22.74%	2,820,000
Rental Car - Car Rentals	204,251	123,589	80,662	65.27%	1,649,754	1,478,398	171,356	11.59%	1,478,398
Rental Car - Facility Rent	55,855	52,844	3,011	5.70%	631,202	616,308	14,894	2.42%	616,308
Commercial Ground Transportation	20,720	10,934	9,786	89.50%	88,526	49,850	38,676	77.58%	49,850
Landing Fees	83,227	78,983	4,244	5.37%	592,563	754,800	(162,237)	(21.49%)	754,800
FBO'S	85,739	86,525	(786)	(0.91%)	1,003,966	1,018,889	(14,923)	(1.46%)	1,018,889
Building Leases	12,927	13,182	(255)	(1.93%)	154,052	152,509	1,543	1.01%	152,509
Land Leases	4,957	4,893	64	1.31%	63,512	58,748	4,764	8.11%	58,748
Other Leases/Fees	47,422	51,586	(4,164)	(8.07%)	556,215	533,611	22,604	4.24%	533,611
Total Operating Revenue	\$1,078,756	\$909,871	\$168,885	18.56%	\$10,606,846	\$9,590,204	\$1,016,642	10.60%	\$9,590,204
Operating Expenses:									
Personnel Services	\$454,588	\$482,304	(\$27,716)	(5.75%)	\$4,793,676	\$5,154,981	(\$361,305)	(7.01%)	\$5,154,981
Professional Services	22,293	52,608	(30,315)	(57.62%)	426,171	479,700	(53,529)	(11.16%)	479,700
Accounting & Auditing	-	-	-	100.00%	9,900	40,000	(30,100)	(75.25%)	40,000
Other Contractual Services	224,534	123,844	100,690	81.30%	1,263,609	1,393,549	(129,940)	(9.32%)	1,393,549
Travel & Training	13,432	31,307	(17,875)	(57.10%)	164,141	210,121	(45,980)	(21.88%)	210,121
Communications & Freight	8,448	6,564	1,884	28.70%	71,306	78,770	(7,464)	(9.48%)	78,770
Utility Services	37,824	38,645	(821)	(2.12%)	371,797	463,735	(91,938)	(19.83%)	463,735
Rentals & Leases	2,149	1,992	157	7.88%	23,559	23,900	(341)	(1.43%)	23,900
Insurance	16,695	19,708	(3,013)	(15.29%)	197,588	236,500	(38,912)	(16.45%)	236,500
Repairs & Maintenance	17,842	22,729	(4,887)	(21.50%)	310,056	285,028	25,028	8.78%	285,028
Advertising, Printing & Binding	32,715	22,050	10,665	48.37%	198,063	201,315	(3,252)	(1.62%)	201,315
Promotional Activities	5,724	11,858	(6,134)	(51.73%)	74,906	85,850	(10,944)	(12.75%)	85,850
Other Current Charges & Obligations	17,809	7,386	10,423	141.12%	113,865	93,000	20,865	22.44%	93,000
Office Supplies	763	750	13	1.73%	6,662	9,000	(2,338)	(25.98%)	9,000
Operating Supplies	32,397	43,512	(11,115)	(25.54%)	325,334	471,859	(146,525)	(31.05%)	471,859
Books, Publications, Subscriptions & Mem	1,776	2,066	(290)	(14.04%)	50,884	62,487	(11,603)	(18.57%)	62,487
Contingency		51,639	(51,639)	(100.00%)		51,639	(51,639)	(100.00%)	51,639
Emergency Repair	115,152	21,250	93,902	441.89%	117,651	150,000	(32,349)	(21.57%)	150,000
Business Development	25,078	25,000	78	0.31%	129,059	300,000	(170,941)	(56.98%)	300,000
Total Operating Expenses	\$1,029,219	\$965,212	\$64,007	6.63%	\$8,648,227	\$9,791,434	(\$1,143,207)	(11.68%)	\$9,791,434

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

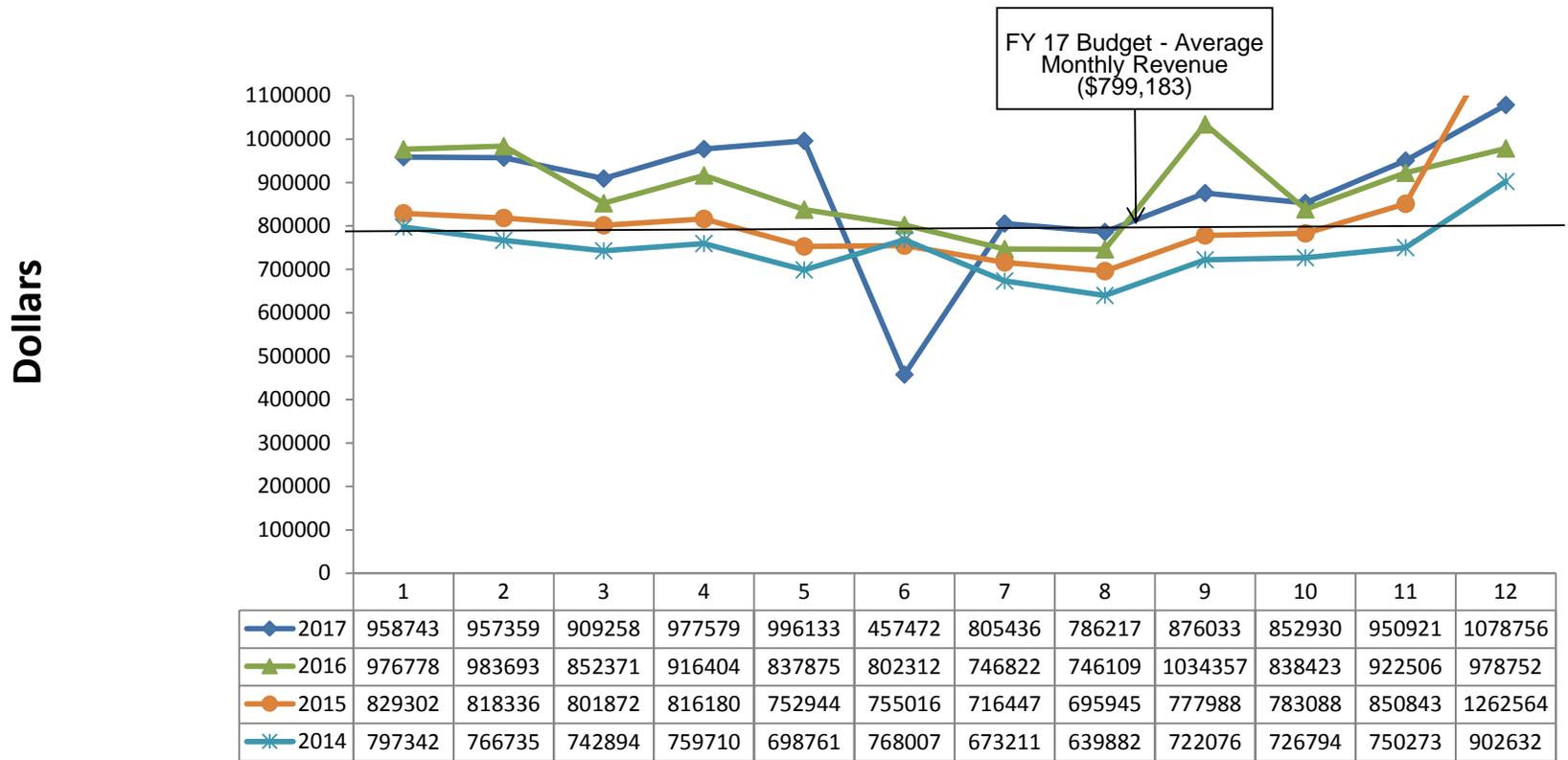
For the Month Ending June 31, 2017

	Current Month Actual	Current Month Budget	Variance \$	Variance %	YTD Actual	YTD Budget	Variance \$	Variance %	Annual Budget
Operating Revenue before Depreciation	\$49,537	(\$55,341)	\$104,878	(189.51%)	\$1,958,619	(\$201,230)	\$2,159,849	(1,073.32%)	(\$201,230)
Depreciation	391,221	-	391,221	100.00%	4,694,652	-	\$4,694,652	100.00%	-
Operating Income(Loss) Before Non-Operating Revenue and Expenses	(\$341,684)	(\$55,341)	(\$286,343)	517.42%	(\$2,736,033)	(\$201,230)	(\$2,534,803)	1,259.65%	(\$201,230)
Non-Operating Revenue and Expense									
Customer Facility Charges	\$125,758	\$131,030	(\$5,272)	(4.02%)	\$1,404,051	\$1,300,000	\$104,051	8.00%	\$ 1,300,000
Passenger Facility Charges	196,019	170,850	25,169	14.73%	1,836,201	1,708,500	127,701	7.47%	1,708,500
Interest Revenue	13,730	2,975	10,755	361.51%	90,542	30,000	60,542	201.81%	30,000
Interest Expense	-	-	-	100.00%	(155,143)	-	(155,143)	100.00%	-
Bond Expense	-	-	-	100.00%	(52,500)	-	(52,500)	100.00%	-
Reimbursable Cost Revenues	-	15,622	(15,622)	(100.00%)	2,055	214,000	(211,945)	(99.04%)	214,000
Reimbursable Cost Expenses	2,661	(15,622)	18,283	(117.03%)	(2,055)	(214,000)	211,945	(99.04%)	(214,000)
Gain/Loss on Disposal of Assets	-	0	(0)	0.00%	42,732	0	42,732	0.00%	-
Non-Operating Revenue-Net	\$338,168	\$304,855	\$33,313	10.93%	\$3,165,883	\$3,038,500	\$127,383	4.19%	\$3,038,500
Income (Loss) Before Capital Contributions	(\$3,516)	\$249,514	(\$253,030)	(101.41%)	\$429,850	\$2,837,270	(\$2,407,420)	(84.85%)	\$2,837,270
Capital Contributions	\$2,413,697	\$0	\$2,413,697	100.00%	\$14,284,352	\$0	\$14,284,352	100.00%	\$0
Increase in Net Assets	\$2,410,181	\$249,514	\$2,160,667	865.95%	\$14,714,202	\$2,837,270	\$11,876,932	418.60%	\$2,837,270

ASHEVILLE REGIONAL AIRPORT
STATEMENT OF FINANCIAL POSITION
As of June 30, 2017

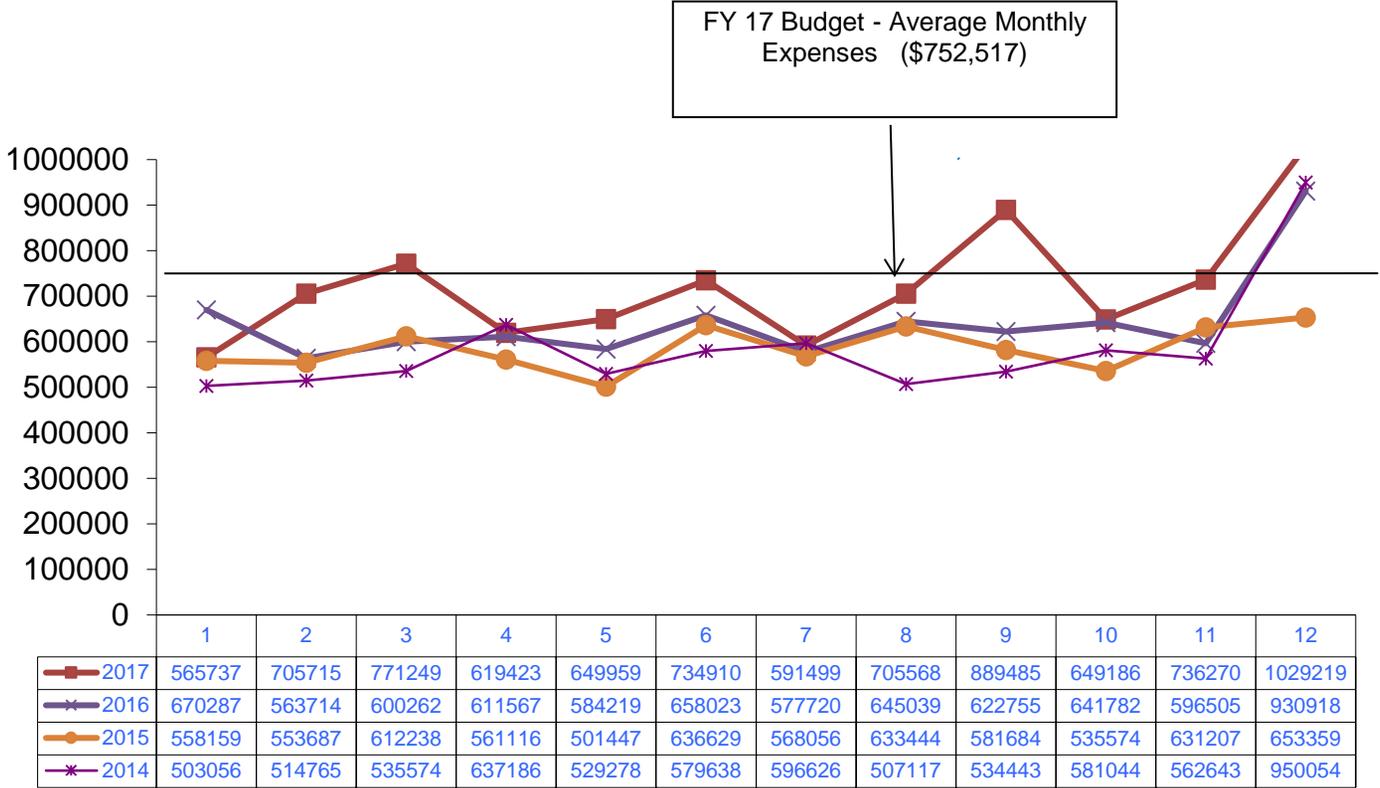
	Current Month	Last Month
<u>ASSETS</u>		
Current Assets:		
Unrestricted Net Assets:		
Cash and Cash Equivalents	\$18,974,145	\$17,800,810
Accounts Receivable	668,154	586,171
Passenger Facility Charges Receivable	290,000	150,000
Refundable Sales Tax Receivable	1,005,975	981,522
Grants Receivable	2,413,698	2,496,882
Prepaid Expenses	9,084	26,260
Total Unrestricted Assets	23,361,056	22,041,645
Restricted Assets:		
Cash and Cash Equivalents	16,988,875	19,115,698
Total Restricted Assets	16,988,875	19,115,698
Total Current Assets	40,349,931	41,157,343
Noncurrent Assets:		
Construction in Progress	60,204,653	56,486,794
Net Pension Asset - LGERS	(226,282)	(226,282)
Contributions in Current Year	222,035	222,035
Property and Equipment - Net	56,689,037	57,080,258
Total Noncurrent Assets	116,889,443	113,562,805
	\$157,239,374	\$154,720,148
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities:		
Payable from Unrestricted Assets:		
Accounts Payable & Accrued Liabilities	\$4,234,027	\$4,097,781
Customer Deposits	17,210	17,210
Unearned Revenue	396,023	444,265
Construction Contract Retainages	311,047	311,047
Revenue Bond Payable - Current	955,000	955,000
Total Payable from Unrestricted Assets	5,913,307	5,825,303
Total Current Liabilities	5,913,307	5,825,303
Noncurrent Liabilities:		
Other Postemployment Benefits	1,202,917	1,202,917
Compensated Absences	350,006	326,896
Net Pension Obligation-LEO Special Separation Allowance	9,558	9,893
Revenue Bond Payable - Noncurrent	20,045,000	20,045,000
Total Noncurrent Liabilities	21,607,481	21,584,706
Total Liabilities	27,520,788	27,410,009
Net Assets:		
Invested in Capital Assets	95,893,690	92,567,052
Restricted	16,988,875	19,115,698
Unrestricted	16,836,021	15,627,389
Total Net Assets	129,718,586	127,310,139
	\$157,239,374	\$154,720,148

ASHEVILLE REGIONAL AIRPORT Annual Operating Revenue by Month June 2017

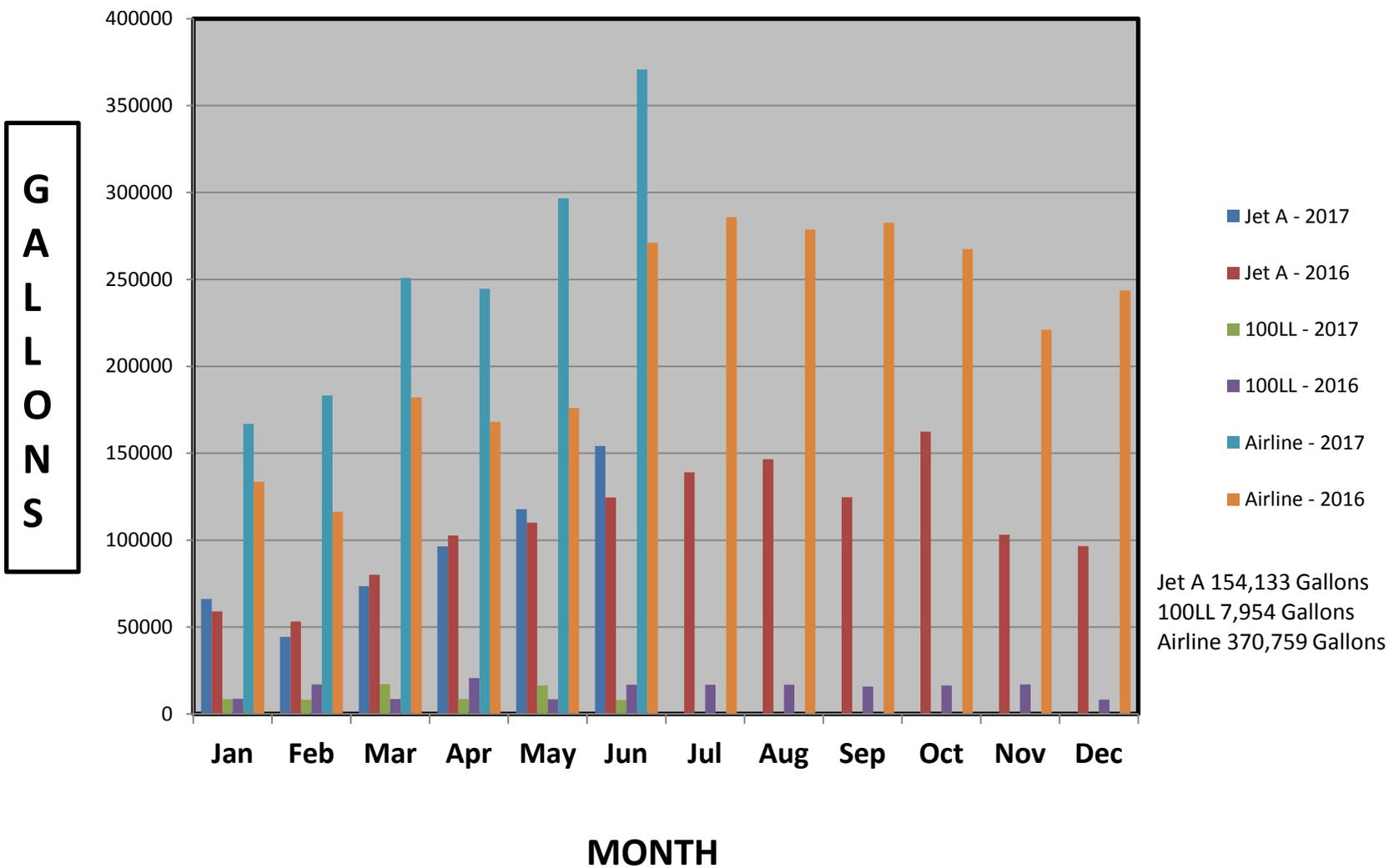


ASHEVILLE REGIONAL AIRPORT Annual Operating Expenses by Month June 2017

Dollars

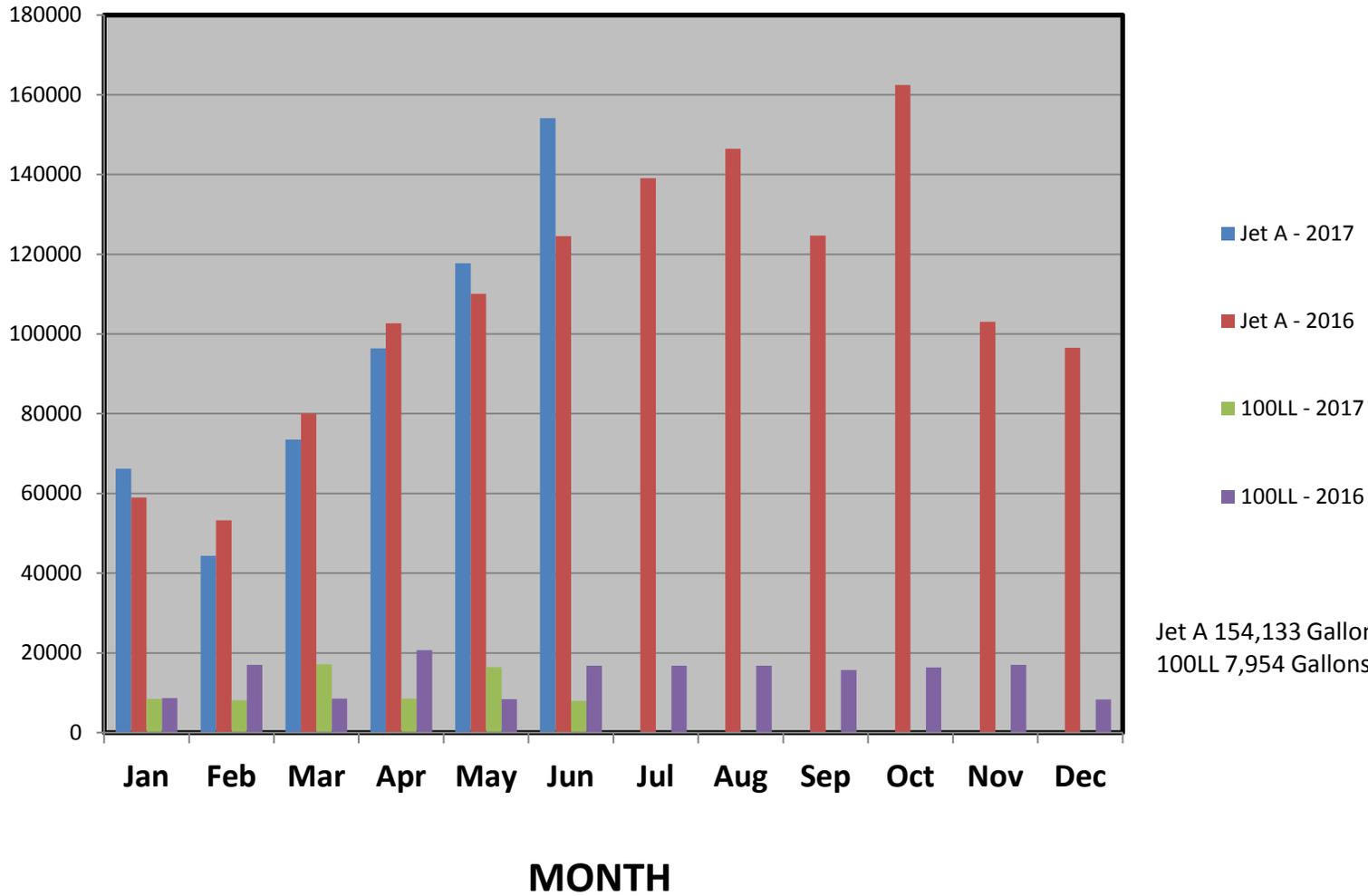


**ASHEVILLE REGIONAL AIRPORT
FUEL SALES - GALLONS
June 2017**



**ASHEVILLE REGIONAL AIRPORT
GENERAL AVIATION FUEL SALES - GALLONS
June 2017**

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Design Phase

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 08/01/2017)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 08/01/2017)	Start Date	End Date	Current Project Status (as of 08/01/2017)
1	Airfield Re-Development Project	Budget for the complete project				\$64,000,000.00	\$15,900,000.00		\$79,900,000.00	61.5%	\$49,164,381			All Engineer contracts, completed construction contracts and expenses will be inclusive of budget.
1A	Airfield Re-Development Project	Phase I - Design Services	RS&H	\$447,983.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	83%	\$372,161	Dec-12	Jun-16	Project Management work primarily complete.
1B	Airfield Re-Development Project	Phase II - Design Services and Project Management.	RS&H	\$1,842,318.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	95.0%	\$1,748,887	Jun-13	Dec-16	Project Management work continues, pending Contractor resolution.
1C	Airfield Re-Development Project	Phase III and IV - Design Services and Project Management.	RS&H	\$2,399,826.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	65.5%	\$1,572,438	Dec-14	May-18	Phase IV Project Management underway.
1D	Airfield Re-Development Project	New Runway Design	AVCON	\$1,967,476.00	N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>	92.6%	\$1,821,764	Mar-13	May-18	Phase IV Project Management underway.
1E	Airfield Re-Development Project	Miscellaneous and Administrative Expenses			N/A	N/A	\$0.00	0.00%	<i>(Overall total included in above number)</i>		\$3,766,649	Jan-13	Dec-17	Miscellaneous Administrative Expenses, Reimbursable Agreement and Land Acquisition
2	Parking Garage Project	Design and EA for approximately 1300 spaces of covered parking garage.	Delta Airport Consultants	\$1,627,575.00	N/A	N/A	\$0.00	0.00%	\$1,627,575.00	86.6%	\$1,409,443	Oct-15	Nov-17	Construction service and RPR Management continues.
3	Expand Air Carrier Apron	Design additional apron space to hold RON Aircraft.	Delta Airport Consultants	\$99,000.00	N/A	N/A	\$0.00	0.00%	\$99,000.00	71.8%	\$71,167	Feb-17	Jun-17	Project will go through new bid process.

Construction Phase

Project Number	Project Name	Project Description	Professional Services Consultant	Professional Services Contract	General Contractor	Original Construction Contract	Change Orders (thru 08/01/2017)	Percent of Original Contract	Board Approved Project Cost	Percent Complete	Expensed to Date (thru 08/01/2017)	Start Date	End Date	Current Project Status (as of 08/01/2017)
1	Parking Garage	Construct a 5 level parking garage for passenger/public parking.	Delta Airport Consultants	\$1,627,575.00	American South General Contractors	\$20,244,000.00	\$173,041.75	0.85%	\$21,938,700.00	66.2%	\$13,531,740	Sep-16	Nov-17	Ground level work to dry soil and pour slab continues, backup generator in place, perforated panels installed on NW face and interior work continues.
2	Permanent Runway 17-35 Construction, NAVAIDS and Taxiway Conversion	Construct new runway and convert temporary runway to a taxiway	RS&H and AVCON Inc.	Amount Included in Phase 3 Design Fees	Cedar Peaks Enterprises Inc.	\$33,703,095.70	\$0.00	0.00%	\$34,703,095.70	14.5%	\$4,898,473	Mar-17	Jun-18	Stone is being placed on South end of Taxiway Alpha with asphalt work to begin shortly. North end is graded with stone compacted.

(Construction and Administrative Costs included)

Airportsurvey.com



AVL

Airport Facilities Review For 2nd Quarter 2017

Welcome

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

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

Proprietary and Confidential

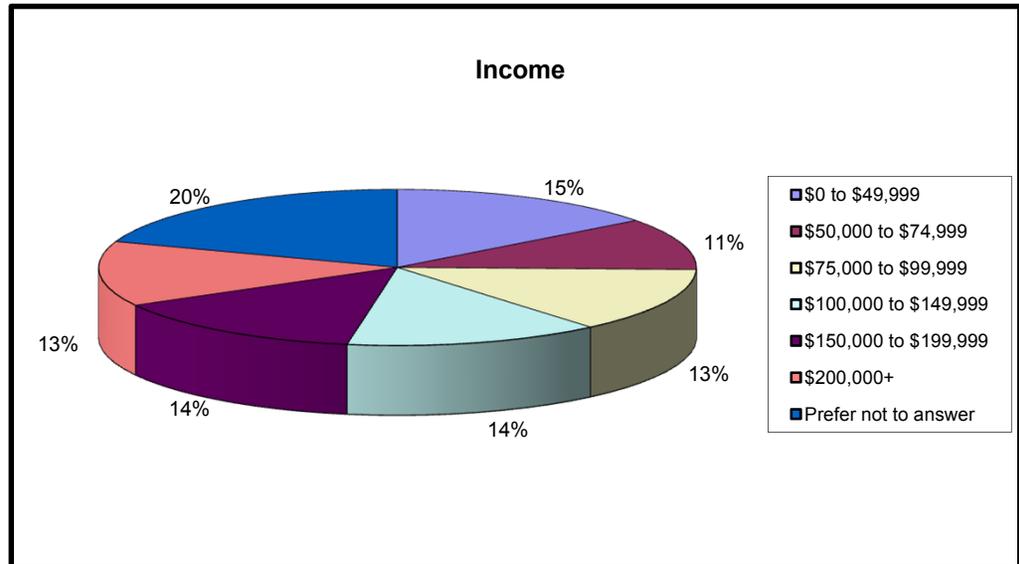
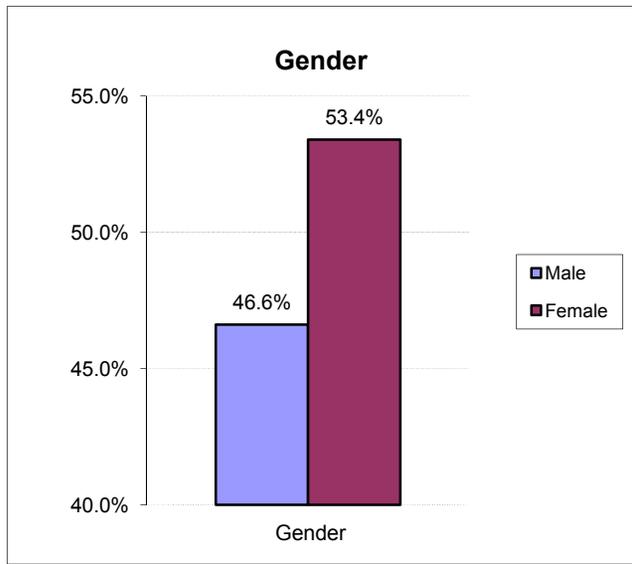
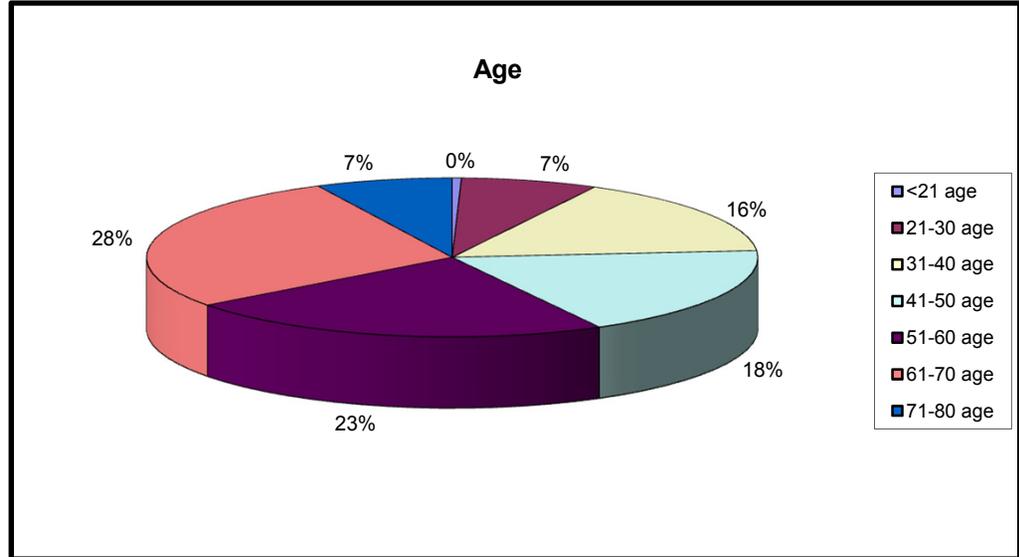
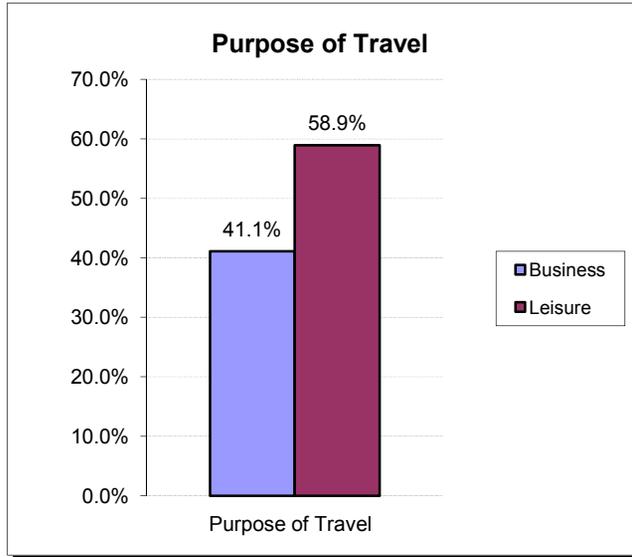
Overview

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

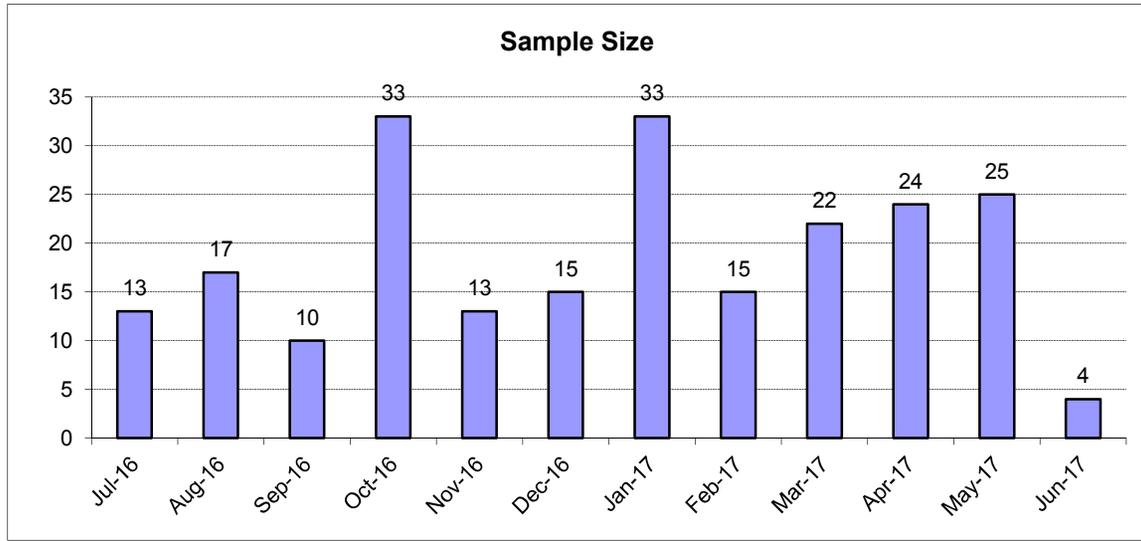
*Updated 4rd Quarter 2012

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Passenger Demographics



General Findings



Sample is clustered around airport invitation distribution dates.

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

	AVL	Similar	+/-	Pct
Overall	4.28	4.29	(0.01)	-0.2%
Availability of parking	3.57	4.13	(0.56)	-15.7%
Cost of parking	3.51	3.67	(0.16)	-4.5%
Clear, easy to follow signs	4.20	4.28	(0.09)	-2.1%
Cleanliness	4.46	4.35	0.11	2.4%
Availability of restrooms	4.41	4.35	0.06	1.4%
Cleanliness of restrooms	4.36	4.28	0.09	2.0%
Concessions / restaurants	3.57	3.76	(0.19)	-5.4%
Transportation to your gate / concourse / terminal	4.20	4.18	0.03	0.6%
Airport Wi-Fi ease of use	4.09	3.95	0.14	3.4%
Overall airport Wi-Fi	3.96	3.87	0.09	2.2%
Overall departure airport concourse	4.24	4.20	0.04	0.9%
Security: Wait time at checkpoint	4.21	4.34	(0.13)	-3.2%
Security: Professionalism of personnel	4.39	4.39	(0.01)	-0.2%
Security: Confidence in airport security procedures	4.26	4.23	0.03	0.8%

Statistical means testing not performed on results

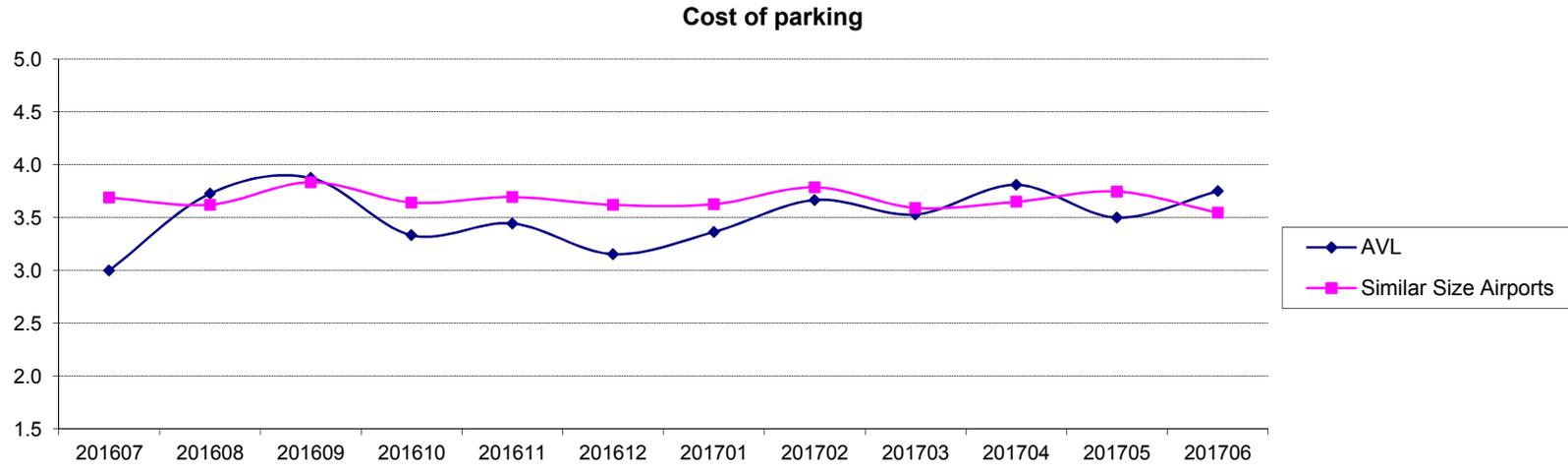
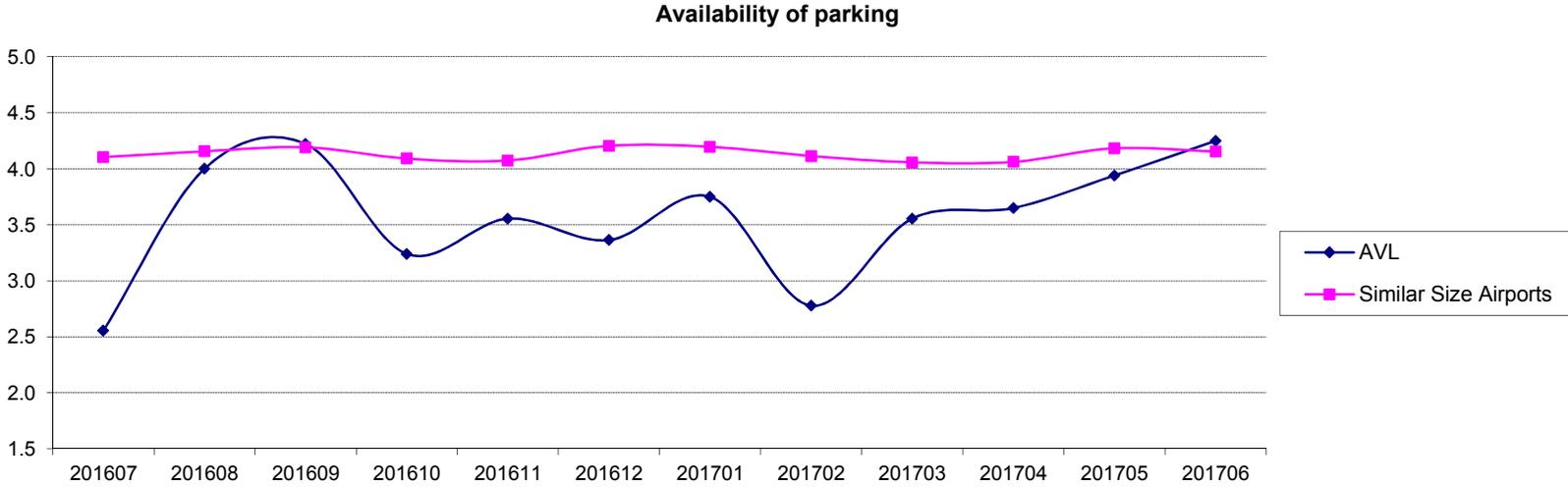
AVL	
Responses	224

Overall Satisfaction with Airport Facilities



Proprietary and Confidential

Parking Satisfaction



Cleanliness and Signage



Concessions

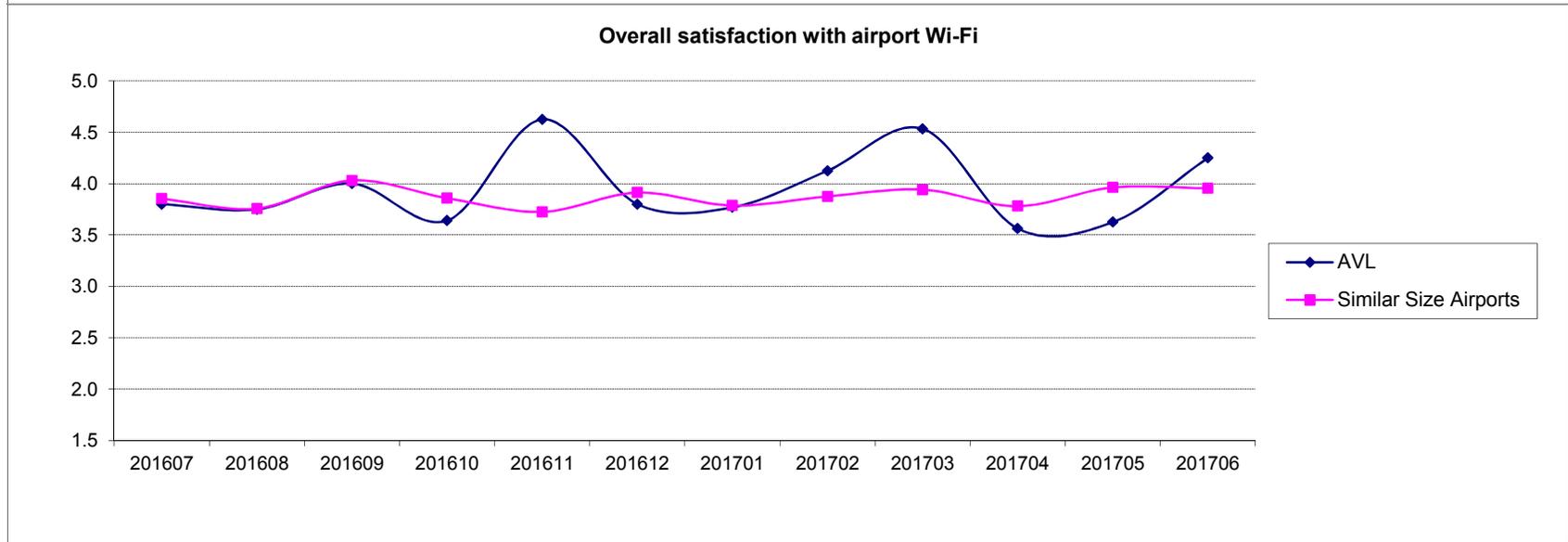
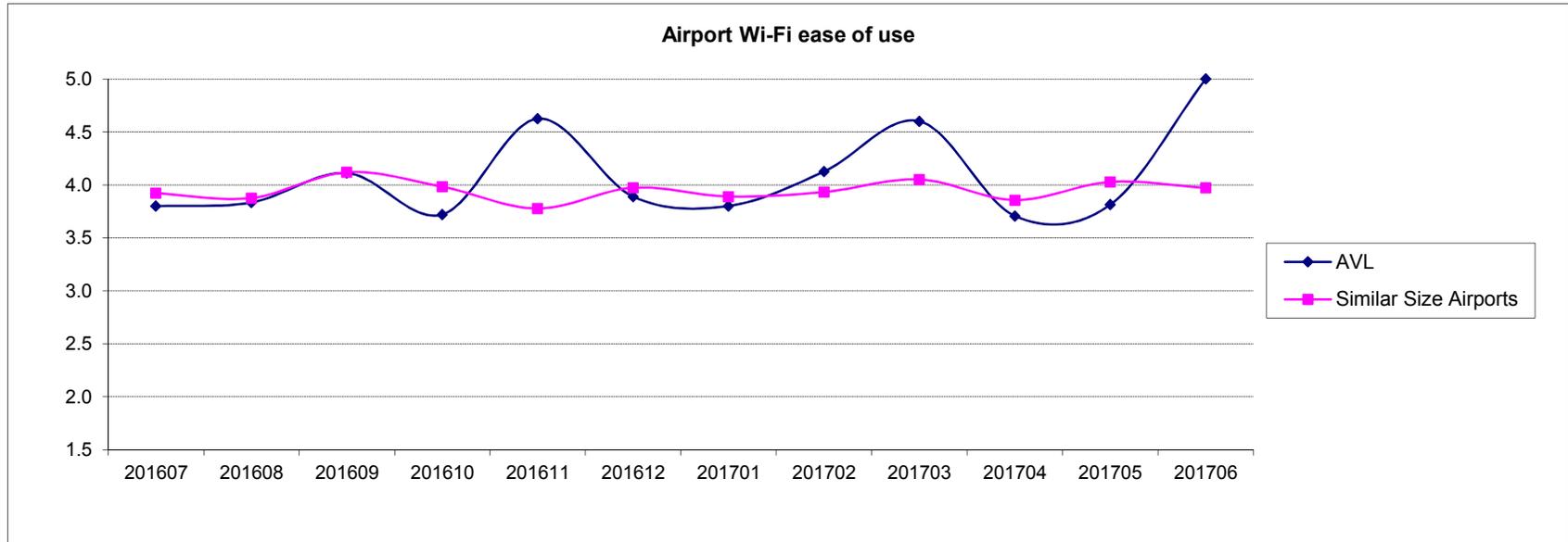


Proprietary and Confidential

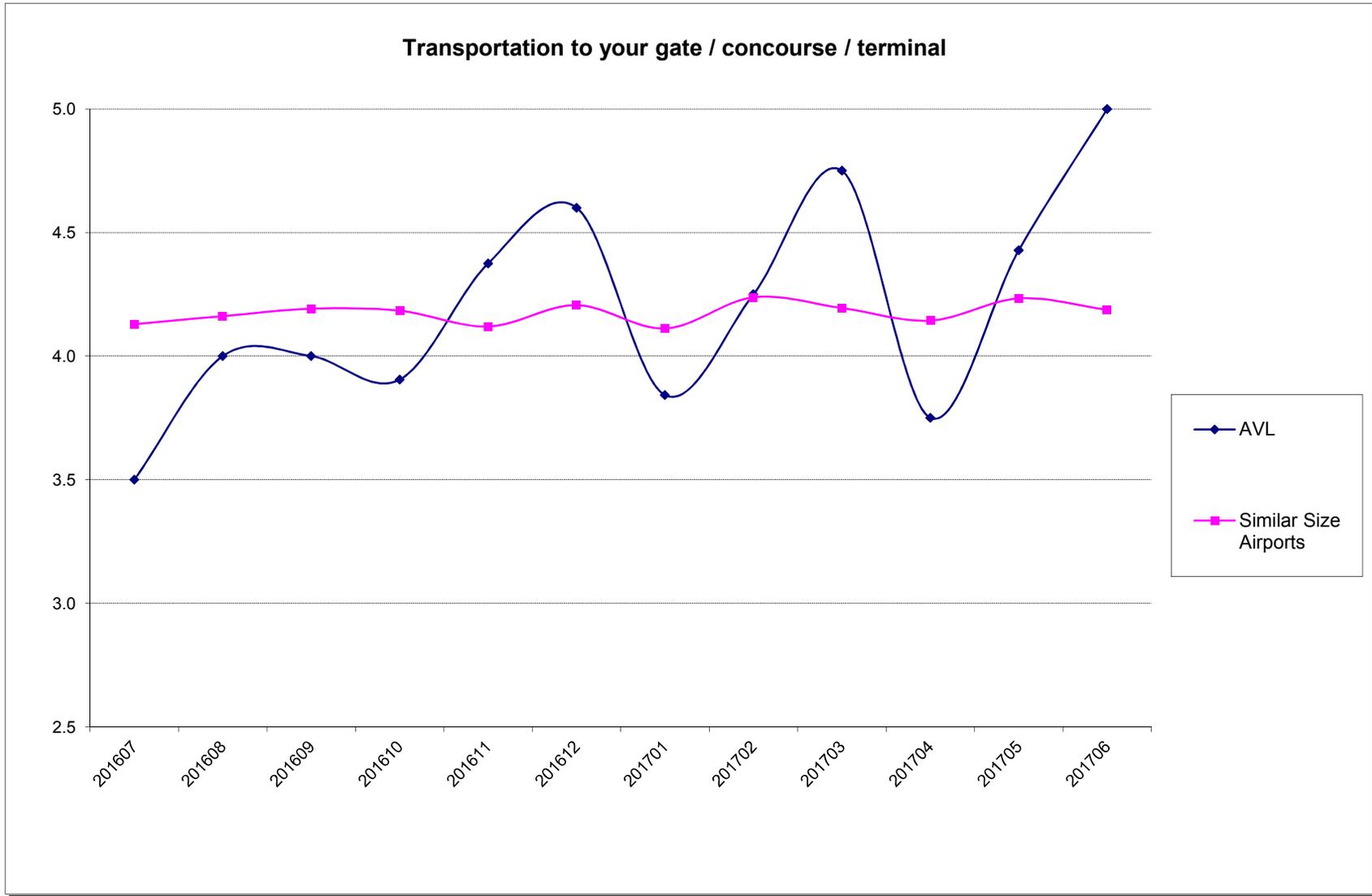
Restrooms



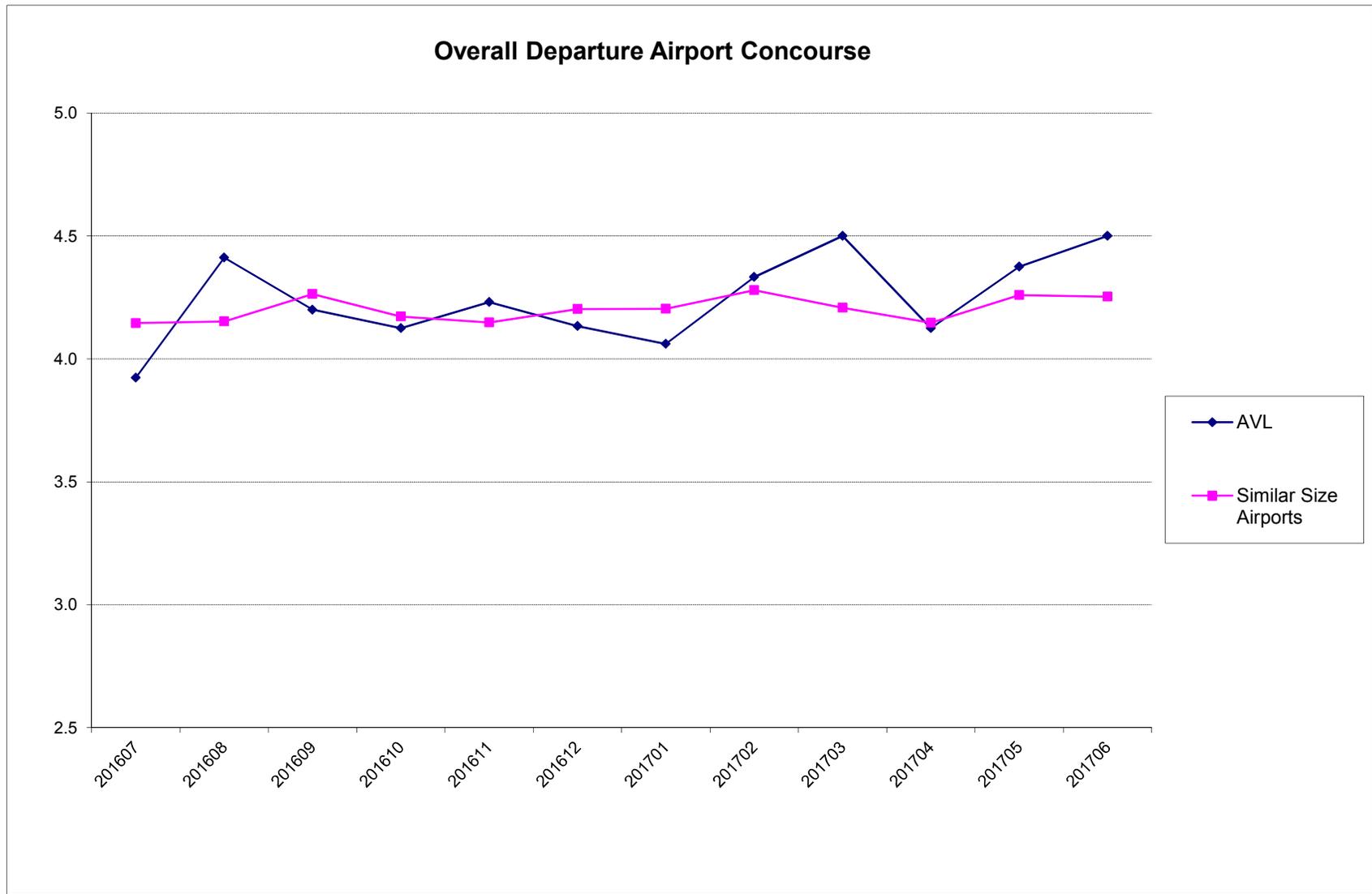
Wi-Fi



Transportation to Departure Gate

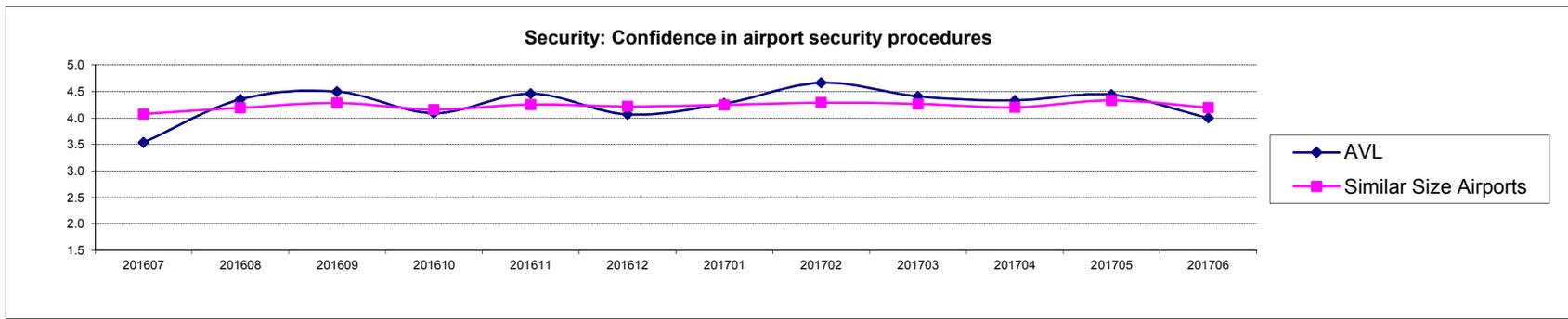
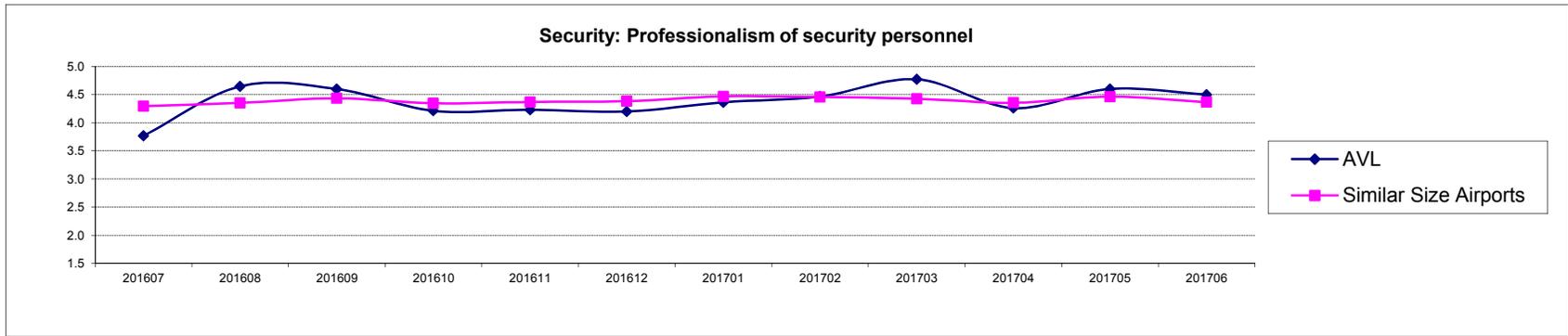
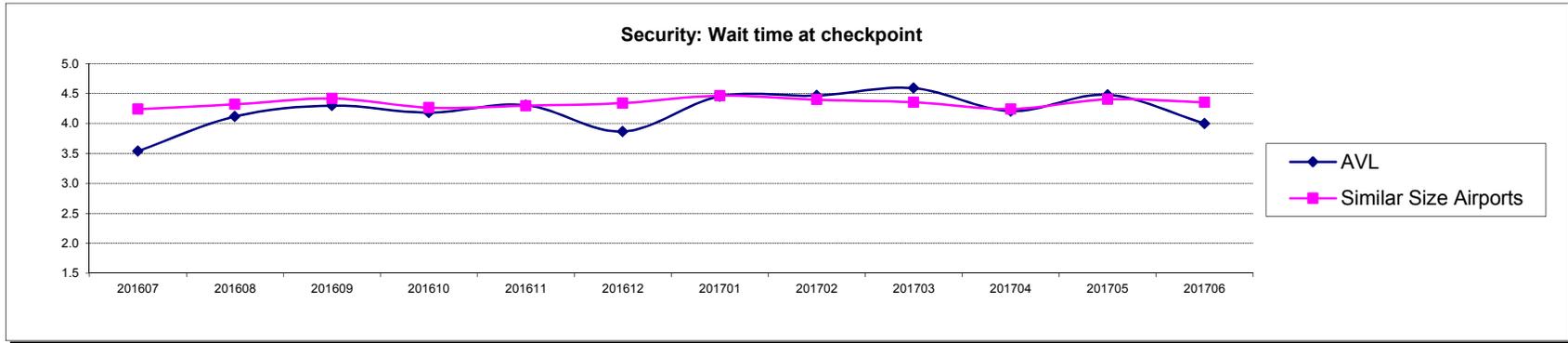


Overall Departure Airport Concourse



Proprietary and Confidential

Airport Security



Appendix A - Geographic Breakdown of Respondents

AZ	1	CANADA	1
CA	6	EUROPE	2
CO	2		
DC	1		
FL	16		
GA	1		
IA	1		
IL	2		
IN	1		
LA	2		
MA	6		
MI	2		
MN	2		
MT	1		
NC	138		
NE	2		
NH	1		
NJ	1		
NV	1		
NY	6		
OH	1		
PA	1		
SC	4		
TX	6		
VA	2		
WA	2		

Note: Only includes passengers who indicated state of residence

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Appendix B - About Canmark

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

Appendix C - Contacts

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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