

Charlottesville Albemarle Airport Authority Meeting
Thursday, January 30, 2020, at 9:00 a.m.
At the County Office Building in Conference Room #241

AGENDA

Call to Order:

Consent Agenda:

1. Minutes – November 12, 2019 meeting
2. Financial Statements – November 2019 (Unaudited)
3. Airport Statistics: October 2019 and November 2019

Matters from the Public: All person desiring to make presentations as part of the MATTERS FROM THE PUBLIC section of the Agenda are requested to advise the administrative office prior to commencement of the meeting to assist the Chairman in conducting the meeting in an efficient and productive manner; allowing for maximum input. Speakers are encouraged to limit remarks to five minutes. Additional time may be granted solely at the discretion of the Chairman unless such presentation is extended by reason of the Authority's request for additional information:

Awards and Recognition:

Action Items:

1. Annual Election of Chairman, Vice-Chairman, and Secretary/Treasurer
2. FY-2019 Comprehensive Annual Financial Report
3. 2020 Audit Committee Membership
4. Smith Vicars Aviation Agreement Letter
5. Transportation Network Company Agreements

Informational Items:

1. Executive Director's Update
 - a. Personnel Update
 - b. Construction Update
 - i. Air Carrier Apron Expansion Project
 - ii. Expansion of Economy Surface Parking Lot Project & Hangar Parking Lot Improvements
 - iii. ARFF Breakroom and Training Room Project – Environmental issue
 - iv. MALSUR Update
 - v. Passenger Shelters
 - vi. Terminal Area Masterplan
 - c. Personnel Policy Revision
 - d. Upcoming Request for Proposals – Taxi, Engineering, Banking
 - e. Authority Smoking Policy
 - f. Marketing & Air Service Update
 - g. Staff's Snow Removal Efforts
 - h. Part 139 FAA Annual Certification Inspection

Closed Session:

In accordance with VA Code 2.2-3712 the Airport Authority will convene in closed session for the following purposes:

Consultation with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel pursuant to VA Code 2.2-3711 (A) (8).

Next Scheduled Meeting: March 10, 2020 @ 8:30 a.m., Airport Terminal's Lower Level Conference Room

Adjourn:



Charlottesville Albemarle Airport Board Meeting

Tuesday, November 12, 2019 at 8:30 a.m. in the Airport Terminal-Lower Level Conference Room

MINUTES

Members Present: Donald Long, Jeff Richardson, Dr. Tarron Richardson (arrived at approximately 9:00)

Members Absent: N/A

Staff Present: Melinda Crawford: Executive Director; Penny Shifflett: Director of Finance and Administration; Jason Burch: Deputy Executive Director; Stirling Williams: Director of Landside Operations; Jonathan Shenk: Chief of Public Safety; Jessica Conley: Administrative Assistant

Others Present: Sebastian Waisman: Assistant City Attorney, City of Charlottesville;

Call to Order at 8:33 a.m. by Donald Long

Consent Agenda:

1. Minutes – May 13, 2019 and October 17, 2019 (Joint Meeting) - discussed.
2. Financial Statements –June 2019 and September 2019 (Unaudited) - discussed.
3. Airport Statistics: June, July, August, and September 2019 - discussed.

Mr. Richardson made a motion to accept the Consent Agenda. The motion was seconded by Mr. Long, and it was unanimously approved.

Matters from the Public: None

Action Items:

1. Approval of Amendment #2 to the Airport's FY20 Capital Budget- The airport's existing forklift has been experiencing serious mechanical issues. It was purchased several years ago through a state surplus program. In order to fund the new forklift an amendment to the FY20 capital budget is being requested. Also the amendment proposes to move the Terminal Fire Suppression Upgrade Project to a future year to be incorporated with the terminal expansion project.

Mr. Richardson made a motion to Approve Amendment#2 to the Airport's FY20 Capital Budget. The motion was seconded by Mr. Long, and it was unanimously approved.

Informational Items:

1. Executive Director's Update: Ms. Crawford presented the following items:
 - a. Personnel Update: 5 employees have recently left the Authority, and we have 3 new janitorial positions starting in the next 2 weeks. We currently have one opening for a part time ambassador.
 - b. Construction Update:
 - i. Air Carrier Ramp Expansion Design: The project started in July 2019. The expected completion date is the summer 2020.
 - ii. Expansion of Economy Surface Parking Lot Project: Less than 100 spots have been created. Currently, the installation of light poles is the only item remaining before the lot can be opened.

- iii. Hangar Parking Lot and other Parking Improvement Projects: Demo has been completed on the old hangar, and 100 new parking spaces have been created. The parking lot is now open.
 - iv. ARFF Breakroom and Training Room Project- Environmental issue: The ARFF building was constructed in the 1960's and no significant work has been done in this area since the 1970's. An environmental issue has been discovered in the building, and this issue will be addressed in the near future.
 - v. MALSR Update: The MALSR was decommissioned in July 2017. A conference call was held with FAA early in November, and we are waiting on FAA to complete and approve a proposed change. Ms. Crawford explained that the engineers are moving forward with developing a scope of work for the MALSR repairs.
- c. CHO's Airport Concessions Disadvantage Business Enterprise (ACDBE) Program's Update was discussed
 - d. The incorporation of Attachment #1 into the Authority's Purchasing Regulation was discussed.
 - e. An upcoming Agreement Letter with Smith Vicars was discussed
 - f. Marketing & Air Service Update: Mr. Burch provided the following updates:
 - i. Air Service: He discussed the increase of airline service planned for the Thanksgiving holiday and that the passenger traffic during the Thanksgiving week is on course to be the busiest in CHO's history with 32 daily flights.
 - g. Ms. Crawford acknowledged Staff's Outstanding Management of Recent VIP Visit.

Closed Session:

In accordance with VA Code 2.2-3712 the Airport Authority convened in closed session for the following purposes:

For Discussion and consideration of the acquisition of real property for a public purpose where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the public body pursuant to VA Code 2.2-3711 (A) (3). Mr. Richardson made the motion, Mr. Long seconded the motion, and it was unanimously approved.

Board entered closed session at 9:25 a.m.

Certification of Closed Meeting:

At 9:48 a.m. Mr. Richardson made the following motion:

I move that this Board certify by a recorded vote that to the best of each Board member's knowledge only public business matters lawfully exempted from the open meeting requirements of the Virginia Freedom of Information Act and identified in the motion convening the closed session were heard, discussed or considered in the closed session.

Mr. Long seconded the motion, and the motion was unanimously approved

Next Scheduled Meeting: January 14, 2020 at the County Office Building in Conference Room#241.

Adjournment: 9:50 a.m. Mr. Richardson motioned to adjourn the meeting. Mr. Long seconded the motion, and it was unanimously approved.

Charlottesville-Albemarle Airport Authority
Financial Statements (unaudited)
As of Nov 30, 2019

Charlottesville-Albemarle Airport Authority
Profit & Loss Notes
As of Nov 30, 2019

\$15K and 10% change

Expenses:

- A. Admin- Overtime: -- This line item is currently over budget due to the annual leave buyback that was paid in November. While a bulk of the expense is in November, for budgeting purposes, expenses are annualized and spread over the 12 months equally.
- B. Various Expense Line Items:--There are line items that are under budget. These expenses vary and it is not unusual for the expenses to be incurred later in the year or at the end of the budget cycle or to be much lower than budgeted.
- C. Airfield-ARFF Equipment: -- year-to-date expense: \$34,836 Budgeted: \$12,500
The expenses for this line item occurred early in the fiscal year and were to outfit the entire ARFF personnel with the appropriate attire.
- D. Terminal-Health Insurance:-- This line item is under budget due to conservative estimates during the budgeting process whereby vacant positions are computed with the highest insurance premiums.
- E. Terminal-Elevator, Escalator and HVAC Maintenance:--These line items are over budget due to the aging systems and their need for frequent repairs.

Net Income

November year-to-date net income before other income = \$329,342.

**Charlotteville-Albemarle Airport Authority
Profit and Loss Budget Performance
November 2019**

Ordinary Income/Expense	Nov 19	Budget	Jul - Nov 19	YTD Budget	Annual Budget	\$ Change	% Change
Income							
ADMINISTRATIVE REVENUES							
6404000 · Miscellaneous Income	31.00	508.33	106.00	2,541.65	6,100.00	-2,435.65	-85.9%
6404001 · QTA Staff Reimbursement	2,908.42	2,908.42	14,543.10	14,542.10	34,901.00	1.00	0.0%
6404002 · Vending Machine Revenue	151.00	0.00	285.43	0.00	0.00	285.43	100.0%
6404100 · VDOA Aviation & Promotion Prgm	0.00	2,916.67	0.00	14,583.35	35,000.00	-14,583.35	-100.0%
7405000 · Interest Income	2,176.23	2,000.00	16,630.61	10,000.00	24,000.00	6,630.61	66.3%
Total ADMINISTRATIVE REVENUES	5,266.65	8,333.42	31,565.14	41,667.10	100,001.00		
AIRFIELD REVENUES							
2402000 · Airline Landing Revenue	83,354.03	77,371.83	413,656.70	386,659.15	928,462.00	26,797.55	6.9%
2402001 · Charters	0.00	1,666.67	6,483.38	8,333.35	20,000.00	-1,849.97	-22.2%
2402100 · Ground Rent/Airfield Fees	14,704.12	7,267.50	49,026.38	36,337.50	87,210.00	12,688.88	34.9%
2402200 · FBO Revenue	47,747.63	40,000.00	209,752.40	200,000.00	480,000.00	9,752.40	4.9%
2402250 · A/W Flowage	0.00	500.00	3,384.08	2,500.00	6,000.00	884.08	35.4%
2403300 · Miscellaneous Revenue Airfield	0.00	100.00	0.00	500.00	1,200.00	-500.00	-100.0%
2403506 · Security Access Control Reimb.	1,513.00	1,200.00	9,036.00	6,000.00	14,400.00	3,036.00	50.6%
Total AIRFIELD REVENUES	147,318.78	128,106.00	691,338.94	640,530.00	1,537,272.00	50,808.94	7.9%
PARKING REVENUES							
Parking Revenue	383,886.00	391,412.00	1,963,745.04	1,957,060.00	4,696,944.00	6,685.04	0.3%
1401015 · Parking - Permits, Licenses&Fee	600.00	500.00	2,995.00	2,500.00	6,000.00	495.00	19.8%
1401016 · Miscellaneous Fees	190.15	100.00	1,504.45	500.00	1,200.00	1,004.45	200.9%
Total PARKING REVENUES	384,676.15	392,012.00	1,968,244.49	1,960,060.00	4,704,144.00	8,184.49	0.4%
TERMINAL REVENUES							
3403000 · Airline Rent	54,296.12	54,296.08	271,480.60	271,480.40	651,552.96	0.20	0.0%
3403050 · FAA Service FEE/Rent	3,792.92	3,792.00	18,964.60	18,960.00	45,504.00	4.60	0.0%
3403065 · TSA Reimbursement	4,727.72	4,719.58	23,638.60	23,597.90	56,635.00	40.70	0.2%
3403100 · Rental Car Revenue	75,797.14	75,797.00	378,275.37	373,525.00	1,104,104.00	4,750.37	1.3%
3403150 · Ground Transportation Fees	2,000.00	2,000.00	10,000.00	10,000.00	24,000.00	0.00	0.0%
3403155 · Rental Car QTA Land Lease	4,962.67	4,962.67	24,813.35	24,813.35	59,552.04	0.00	0.0%
3403200 · Advertising	10,581.00	14,166.67	71,046.00	70,833.35	170,000.00	212.65	0.3%
3403250 · Food/Gift Concessions	10,997.60	10,833.33	62,923.63	54,166.65	130,000.00	8,756.98	16.2%
3403300 · Miscellaneous Terminal	0.00	166.67	0.00	833.35	2,000.00	-833.35	-100.0%
3403400 · ATM Concession	623.00	623.00	3,115.00	3,115.00	7,476.00	0.00	0.0%
3403500 · State Ent for Terminal Maintn	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
3404350 · Business Center/Lounge	2,055.00	2,000.00	13,875.00	10,000.00	24,000.00	3,875.00	38.8%
Total TERMINAL REVENUES	169,833.17	173,357.00	878,132.15	861,325.00	2,274,824.00	16,807.15	2.0%
Total Income	707,094.75	701,808.42	3,569,280.72	3,503,582.10	8,616,241.00	65,698.62	1.9%
Gross Profit	707,094.75	701,808.42	3,569,280.72	3,503,582.10	8,616,241.00	65,698.62	1.9%

**Charlotteville-Albemarle Airport Authority
Profit and Loss Budget Performance
November 2019**

Expense	Nov 19	Budget	Jul - Nov 19	YTD Budget	Annual Budget	\$ Change	% Change
Administrative Expenses							
6500000 - Wages - Administrative	56,430.84	57,878.00	310,079.57	318,329.00	752,414.00	-8,249.43	-2.6%
6500050 - Overtime - Admin	34,927.03	13,955.00	39,415.69	16,755.00	44,759.00	22,660.69	135.2%
6500150 - Payroll Taxes - Administrative	5,354.97	5,741.00	23,081.06	26,000.00	61,558.00	-2,918.94	-11.2%
6500200 - Health Ins./Supp-Administrative	9,243.21	6,829.83	37,048.40	34,149.15	81,958.00	2,899.25	8.5%
6500250 - Life Insurance - Administrative	802.20	767.00	4,011.10	3,835.00	9,204.00	176.10	4.6%
6500300 - ST Disab/LT Disab - Admin	66.43	52.67	332.15	263.35	632.00	68.80	26.1%
6500350 - Retirement - Administrative	5,127.85	4,877.42	25,610.38	24,387.10	58,529.00	1,223.28	5.0%
6501100 - Util-Telephone - Administrative	1,107.66	2,237.33	6,081.07	11,186.65	26,848.00	-5,105.88	-45.6%
6501200 - Insur Expense - Administrative	2,503.56	2,410.42	12,807.60	12,052.10	28,925.00	755.50	6.3%
6502000 - Office Supplies	953.81	1,700.00	4,228.35	8,500.00	20,400.00	-4,271.65	-50.3%
6502001 - Office Expenses	15.99	1,987.00	1,197.78	9,935.00	23,844.00	-8,737.22	-87.9%
6502025 - Payroll Processing Fees	298.90	250.00	1,456.07	1,250.00	3,000.00	206.07	16.5%
6502050 - Education - Administrative	0.00	706.67	718.00	3,533.35	8,480.00	-2,815.35	-79.7%
6502060 - Computer Expense	2,485.08	8,879.92	28,453.92	44,399.60	106,559.00	-15,945.68	-35.9%
6502070 - Equipment Lease	396.42	487.50	1,658.39	2,437.50	5,850.00	-779.11	-32.0%
6502100 - Travel - Administrative	241.82	1,025.00	1,428.89	5,125.00	12,300.00	-3,696.11	-72.1%
6502101 - Travel-Marketing	1,148.50	1,916.67	7,041.23	9,583.35	23,000.00	-2,542.12	-26.5%
6502250 - Dues & Subs. - Administrative	0.00	900.17	3,220.00	4,500.85	10,802.00	-1,280.85	-28.5%
6502251 - Dues & Subs Marketing	0.00	610.83	762.99	3,054.15	7,330.00	-2,291.16	-75.0%
6502561 - Shipping	133.88	200.00	464.81	1,000.00	2,400.00	-535.19	-53.5%
6502600 - Meeting Expense	274.73	258.33	3,912.86	1,291.65	3,100.00	2,621.21	202.9%
6502650 - Postage	45.40	141.67	500.77	708.35	1,700.00	-207.58	-29.3%
6502700 - Banking Fees	240.00	290.00	1,313.97	1,450.00	3,480.00	-136.03	-9.4%
6502701 - Service Fees	4.34	0.00	4.34	0.00	0.00	4.34	100.0%
6502750 - Human Resource Expenses	769.09	2,173.33	11,061.59	10,866.65	26,080.00	194.94	1.8%
6502760 - Miscellaneous Expenses	-115.66	0.00	747.42	0.00	0.00	747.42	100.0%
6502800 - Bad Debt Expense	0.00	20.83	0.00	104.15	250.00	-104.15	-100.0%
6502850 - Professional Fees	2,018.50	20,333.33	15,725.25	101,666.65	244,000.00	-85,941.40	-84.5%
6502860 - Advert. & Promotion Expense	30,400.96	40,437.50	130,289.25	202,187.50	485,250.00	-71,898.25	-35.6%
6502861 - Special Events	488.06	3,050.00	621.80	15,250.00	36,600.00	-14,628.20	-85.9%
6502880 - Air Service Dev. Expense	1,303.00	14,848.33	8,824.36	74,241.65	178,180.00	-65,417.29	-88.1%
Total Administrative Expenses	156,666.57	194,965.75	662,099.06	948,042.75	2,267,432.00	-265,943.69	-28.1%

**Charlotteville-Albemarle Airport Authority
Profit and Loss Budget Performance
November 2019**

	Nov 19	Budget	Jul - Nov 19	YTD Budget	Annual Budget	\$ Change	% Change
Airfield Expenses							
2500000 · Wages - Airfield	42,897.04	44,616.00	268,406.10	257,388.00	605,206.00	11,018.10	4.3%
2500051 · Overtime - Airfield	10,689.52	18,266.00	30,305.09	31,266.00	83,879.00	-960.91	-3.1%
2500150 · Payroll Taxes - Airfield	3,902.41	4,878.00	21,873.88	22,269.00	53,112.00	-395.12	-1.8%
2500200 · Health Ins./Supp. - Airfield	10,402.00	10,421.50	45,262.60	52,107.50	125,058.00	-6,844.90	-13.1%
2500250 · Life Insurance - Airfield	609.08	652.67	3,070.97	3,263.35	7,832.00	-192.38	-5.9%
2500300 · ST Disabill/T Disab - Airfield	75.48	51.83	356.66	259.15	622.00	97.51	37.6%
2500350 · Retirement - Airfield	3,716.89	3,867.42	18,778.12	19,337.10	46,409.00	-558.98	-2.9%
2501000 · Util-Electric - Airfield	3,216.28	2,400.00	1,141.11	12,000.00	28,800.00	-10,858.89	-90.5%
2501060 · Util-Propane - Airfield	0.00	500.00	2,339.68	2,500.00	6,000.00	-160.32	-6.4%
2501100 · Util-Telephone - Airfield	576.96	700.00	5,515.77	3,500.00	8,400.00	2,015.77	57.6%
2501150 · Util-Water - Airfield	52.72	35.00	236.50	175.00	420.00	61.50	35.1%
2501200 · Insurance Expense - Airfield	4,320.97	3,150.00	23,981.45	15,750.00	37,800.00	8,231.45	52.3%
2501250 · Snow Removal - Airfield	0.00	4,166.67	0.00	20,833.35	50,000.00	-20,833.35	-100.0%
2501300 · Lighting Maintenance	0.00	1,064.83	0.00	5,324.15	12,778.00	-5,324.15	-100.0%
2501350 · Maintenance - Airfield	5,878.10	5,848.33	40,787.57	29,241.65	70,180.00	11,545.92	39.5%
2501351 · Airfield Grounds Maintenance	666.40	1,479.17	8,513.40	7,395.85	17,750.00	1,117.55	15.1%
2501400 · Maint. Airfield Equipment	8,230.45	9,675.00	55,405.63	48,375.00	116,100.00	7,030.63	14.5%
2501450 · Maint. Equip. Purch. - Airfield	753.39	1,308.33	2,049.42	6,541.65	15,700.00	-4,492.23	-68.7%
2501500 · Vehicle Expense Gas and Oil	3,814.84	4,253.67	23,308.74	21,268.35	51,044.00	2,040.39	9.6%
2501950 · State Maintenance-Airfield	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
2502025 · Payroll Processing Fees	298.90	250.00	1,456.09	1,250.00	3,000.00	206.09	16.5%
2502050 · Education - Maintenance	0.00	1,217.33	1,475.72	6,086.65	14,608.00	-4,610.93	-75.8%
2502100 · Travel maintenance	0.00	1,188.33	906.43	5,941.65	14,260.00	-5,035.22	-84.7%
2502250 · Dues & Sub. Airfield	0.00	169.58	6,285.00	847.90	2,035.00	5,437.10	641.2%
2503000 · Uniforms - Airfield	2,623.50	819.00	8,300.24	4,095.00	9,828.00	4,205.24	102.7%
2503300 · Emergency Exercises	0.00	125.00	0.00	625.00	1,500.00	-625.00	-100.0%
2503350 · Environmental Compliance	954.83	2,358.67	4,774.15	11,793.35	28,304.00	-7,019.20	-59.5%
2503551 · 800 MHz Maintenance Fees	816.00	1,768.92	11,429.50	8,844.60	21,227.00	2,584.90	29.2%
2512350 · ARFF Equipment	791.30	2,500.00	34,836.33	12,500.00	30,000.00	22,336.33	178.7%
2512400 · ARFF Training Supplies	3,270.73	1,241.67	6,244.34	6,208.35	14,900.00	35.99	0.6%
2512425 · Firearms	255.75	712.50	4,776.25	3,562.50	8,550.00	1,213.75	34.1%
2512450 · Hazmat Materials	0.00	250.00	1,301.55	1,250.00	3,000.00	51.55	4.1%
2512550 · Security Access Control	3,000.00	3,514.17	7,559.17	17,570.85	42,170.00	-10,011.68	-57.0%
2512605 · Security Background Expense	0.00	566.67	1,500.00	2,833.35	6,800.00	-1,333.35	-47.1%
Total Airfield Expenses	111,813.54	134,016.26	642,177.46	642,204.30	1,537,272.00	-28.84	0.0%

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**Charlotteville-Albemarle Airport Authority
Profit and Loss Budget Performance
November 2019**

	Nov 19	Budget	Jul - Nov 19	YTD Budget	Annual Budget	\$ Change	% Change
Parking Expenses							
1500000 · Wages - Parking	30,374.24	30,370.00	167,464.51	167,036.00	394,815.00	428.51	0.3%
1500050 · Overtime - Parking	12,688.18	24,576.00	30,361.11	36,376.00	79,836.00	-6,014.89	-16.5%
1500150 · Payroll Taxes - Parking	3,228.18	3,455.00	14,813.71	14,932.00	35,893.00	-118.29	-0.8%
1500200 · Health Ins./Supp. - Parking	13,083.00	9,954.00	50,271.00	49,770.00	119,448.00	501.00	1.0%
1500250 · Life Insurance - Parking	431.65	531.67	2,127.09	2,658.35	6,380.00	-531.26	-20.0%
1500300 · ST Disab/LT Disab - Parking	75.80	137.83	413.34	689.15	1,654.00	-275.81	-40.0%
1500350 · Retirement - Parking	2,744.74	3,380.83	13,262.17	16,904.15	40,570.00	-3,641.98	-21.5%
1501010 · Util-Parking Lights	-344.06	370.00	893.59	1,850.00	4,440.00	-956.41	-51.7%
1501100 · Util-Telephone - Parking	921.58	1,000.00	5,315.13	5,000.00	12,000.00	315.13	6.3%
1501150 · Util-Water - Parking	19.45	25.00	120.81	125.00	300.00	-4.19	-3.4%
1501200 · Insurance Expense - Parking	1,125.61	890.50	6,865.85	4,452.50	10,686.00	2,413.35	54.2%
1501250 · Snow Removal - Parking	1,533.02	666.67	1,533.02	3,333.35	8,000.00	-1,800.33	-54.0%
1501300 · Parking Lot Lighting	0.00	1,000.00	6,822.88	5,000.00	12,000.00	1,822.68	36.5%
1501350 · Parking Grounds Maintenance	4,135.23	9,066.67	40,793.43	45,333.35	108,800.00	-4,539.92	-10.0%
1501351 · Parking Pavement/Booths/Steps	15.24	1,683.33	1,088.30	8,416.65	20,200.00	-7,328.35	-87.1%
1501400 · Parking Equip. Maintenance	1,780.98	2,525.00	8,365.70	12,625.00	30,300.00	-4,259.30	-33.7%
1502000 · Supplies - Parking	3,680.17	795.00	7,169.20	3,975.00	9,540.00	3,194.20	80.4%
1502001 · Parking-Signage & Traffic Contr	2,336.86	1,108.33	10,576.95	5,541.65	13,300.00	5,035.30	90.9%
1502025 · Payroll Processing Fees	298.90	250.00	1,456.05	1,250.00	3,000.00	206.05	16.5%
1502050 · Education - Parking	0.00	266.25	0.00	1,331.25	3,195.00	-1,331.25	-100.0%
1502100 · Travel - Parking	0.00	291.67	0.00	1,458.35	3,500.00	-1,458.35	-100.0%
1502250 · Dues & Subs. - Parking	275.00	37.33	275.00	186.65	448.00	86.35	47.3%
1502300 · Vehicles Expense-Parking	0.00	492.50	2,264.61	2,462.50	5,910.00	-197.89	-8.0%
1503000 · Uniforms-Parking	0.00	583.33	56.01	2,916.65	7,000.00	-2,860.64	-98.1%
1503100 · Parking Credit Card Fees	19,932.33	18,333.33	90,000.86	91,666.65	220,000.00	-1,665.79	-1.8%
1503105 · Over & Short	0.00	10.00	-2.00	50.00	120.00	-52.00	-104.0%
1503150 · Bad Debt Expense	0.00	17.00	0.00	85.00	204.00	-85.00	-100.0%
1503800 · 2014 Debt Service Parking	15,276.40	15,276.40	76,382.00	76,382.00	183,316.80	0.00	0.0%
1503801 · 2004 Debt Service Parking	0.00	0.00	0.00	0.00	64,058.64	0.00	100.0%
1503802 · Surface Parking Expansion 2019	0.00	62,500.00	242,911.72	312,500.00	750,000.00	-69,588.28	-22.3%
Total Parking Expenses	113,552.50	189,593.64	781,601.84	874,307.20	2,148,914.44	-92,705.36	-10.6%

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Charlotteville-Albemarle Airport Authority

Profit and Loss Budget Performance

November 2019

	Nov 19	Budget	Jul - Nov 19	YTD Budget	Annual Budget	\$ Change	% Change
3512000 - Safety	3,368.30	1,391.67	13,368.33	6,958.35	16,700.00	6,409.98	92.1%
3512030 - EMS Supplies	129.00	541.67	1,260.83	2,708.35	6,500.00	-1,447.52	-53.4%
3512031 - Public Safety Technology	29,464.00	3,433.33	29,737.71	17,166.65	41,200.00	12,571.06	73.2%
3512100 - Travel - Public Safety	108.24	2,612.50	13,762.51	13,062.50	31,350.00	700.01	5.4%
3512250 - Towing Expense	0.00	62.50	130.00	312.50	750.00	-182.50	-58.4%
3520500 - Education - Operations	0.00	279.17	0.00	1,395.85	3,350.00	-1,395.85	-100.0%
3522100 - Travel - Operations	183.00	264.58	1,072.39	1,322.90	3,175.00	-250.51	-18.9%
Total Terminal Expenses	237,896.88	220,787.17	1,134,050.04	1,111,358.85	2,662,623.00	22,691.19	2.0%
6502890 - Bank Service Charges	0.00	0.00	10.00	0.00	0.00	10.00	100.0%
Total Expense	619,969.49	739,362.82	3,239,938.40	3,575,913.10	8,616,241.44	-335,974.70	-9.4%
Net Ordinary Income	87,125.26	-37,554.40	329,342.32	-72,331.00	-0.44	401,673.32	-655.3%

**Charlotteville-Albemarle Airport Authority
Profit and Loss Budget Performance**

November 2019

	Nov 19	Budget	Jul - Nov 19	YTD Budget	Annual Budget	\$ Change	% Change
Other Income/Expense							
Other Income							
Capital Contributions							
CFC Revenue Funds	68,268.30		385,712.24				
Project Contributed Capital	0.00		45,226.04				
State Construction Revenue	14,135.93	0.00	737,566.28	0.00	0.00		
0246000 - PFC Funds	150,892.40		427,890.86				
Total Capital Contributions	233,296.63	0.00	1,596,395.42	0.00	0.00		
0301000 - Airline Contributed Capital	5,153.67	5,153.67	25,768.35	25,768.35	61,844.04		
0301001 - CFC - Coverage	3,684.00		18,420.00				
6404200 - Insurance Claim Proceeds	0.00		8,455.49				
Total Other Income	242,134.30	5,153.67	1,649,039.26	25,768.35	61,844.04		
Other Expense							
CFC EXPENSES	26,877.46	0.00	132,582.25	0.00	0.00		
Depreciation & Amortization	326,801.37	377,840.00	1,460,307.20	1,889,200.00	4,534,080.00		
Total Other Expense	353,678.83	377,840.00	1,592,889.45	1,889,200.00	4,534,080.00		
Net Other Income	-111,544.53	-372,686.33	56,149.81	-1,863,431.65	-4,472,235.96		
Net Income	-24,419.27	-410,240.73	385,492.13	-1,935,762.85	-4,472,236.40		

Charlotteville-Albemarle Airport Authority

Statement of Net Position

Fiscal Year 2020

	Oct	Nov	Change	%	Explanations as needed
Assets					
Current Assets:					
Unrestricted Assets:					
Cash and cash equivalents	3,445,713	2,581,039	(864,674)	-25.09%	Decrease in Cash/Projects with local funds
Prepaid Insurance	97,873	85,638	(12,234)	-12.50%	Insurance Policies normal monthly allocation
Prepaid Insurance - Rental Car Facility	3,856	3,374	(482)	-12.50%	Insurance Policies normal monthly allocation
Prepaid Expenses	46,134	2,000	(44,134)	-95.67%	Anthem premium prepaid in Oct
Accounts receivable-net	334,035	234,799	(99,237)	-29.71%	Normal Ops
Due From Restricted Funds	913,188	913,188	0	0.00%	Coverage Funds to Cap for Terminal Project
Total Unrestricted Assets	4,840,798	3,820,037	(1,020,761)	-21.09%	To resolve when closing State Grant
Non Current Assets					
Restricted Assets:					
Capital Funds:					
Cash and cash equivalents	230,650	948,874	718,223	311.39%	Funding for Cap proj ready to pay bills
Receivables	447,478	447,478	0	0.00%	FAA and State receivables
Passenger Facility Charge Funds:					Waiting for closeouts
Cash and cash equivalents	1,147,809	1,164,917	17,108	1.49%	
Receivables	0	0	0	0.00%	
Rental Car Facility Charge Funds:					
Cash CFC Fund	349,061	417,184	68,124	19.52%	
Cash CFC General Fund	531,712	492,564	(39,147)	-7.36%	
Cash QTA Maintenance Fund	936,742	949,093	12,350	1.32%	
Receivables	185,595	157,401	(28,194)	-15.19%	
State Entitlement Funds:					
Cash and cash equivalents	10,494,815	9,660,680	(834,136)	-0.85%	Used on Projects
Revenue Bond Funds:					
Investments	156,685	156,685	0	0.14%	
Cash VRA Escrow:					
Total restricted assets	14,480,547	14,394,876	(85,671)	-0.45%	
Non-Current Assets					
Restricted Assets					
Revenue Bond Funds					
Cash and Cash Equivalents	120,296	125,634	5,338	3.15%	Escrow for Bonds
Capital Assets					
Land	19,230,590	19,230,590	0	0.00%	
Buildings, improvements and equipment,					

Charlotteville-Albemarle Airport Authority

Statement of Net Position

Fiscal Year 2020

	Oct	Nov	Change	%	Explanations as needed
net of depreciation	81,385,636	81,058,835	(326,801)	-0.45%	
Master plan and amortization	57,546	57,546	0	0.00%	
Construction in progress	3,834,312	4,162,385	328,073	0.65%	
Total Capital Assets (net of accu. deprec.)	104,508,084	104,509,356	1,272	-0.20%	
Total Non-Current Assets	104,628,380	104,634,990	6,610	-0.20%	
Total ASSETS	123,949,725	122,849,903	(1,099,823)	-0.13%	
Deferred Outflows of Resources					
Group Term Life OPEB Contributions	25,419	25,419	0	0.00%	Adjusted at year-end
Pension Contributions	358,428	358,428	0	0.00%	Adjusted at year-end
Total deferred outflows of resources	383,847	383,847	0	0.00%	
Total Assets and Deferred Outflows	124,333,572	123,233,749	(1,099,823)		

Charlotteville-Albemarle Airport Authority
Statement of Net Position
Fiscal Year 2020

	Oct	Nov	Change	%	Explanations as needed
Liabilities, Deferred Inflows and Net Position					
Current Liabilities					
Payable From Unrestricted Assets:					
Accounts payable	382,158	378,263	(3,895)	-5.32%	
Accrued Payroll	122,882	122,882	0	0.00%	This gets adjusted at year-end
Accrued leave	179,158	179,158	0	0.00%	This gets adjusted at year-end
A/P Security dep/perf. bonds	32,617	32,617	0	0.00%	Old 27K colgan and another airline, 5,667 Tailwind
Total Current Liabilities from Unrestricted Assets	716,815	712,920	(3,895)	-3.21%	
Payable from Restricted Assets:					
Accrued Interest	9,453	9,453	0	0.00%	This gets adjusted at year-end
Due to Unrestricted Funds	913,188	913,188	0	0.00%	
Retainage payable	580,930	554,315	(26,615)	0.00%	Chemung Retainage
Capital Accounts Payable	1,295,798	250,904	(1,044,894)	-97.63%	Capital Payables Parking Exp/Ramp Exp
Total Current Liabilities from Restricted Assets	2,799,368	1,727,859	(1,071,509)	-13.53%	
Non-Current Liabilities:					
Revenue bonds payable, net of unamortized bond discount	1,374,896	1,374,896	0	0.00%	These get adjusted at year-end
N/P 2006 VRA Debt Service	92,234	92,234	0	0.00%	"
Due to VDOA Bridge Loans	734,882	734,882	0	0.00%	"
Net Group Term Insurance OPEB Liability	147,000	147,000	0	0.00%	"
Net Pension Liability	894,945	894,945	0	0.00%	"
Total Non-Current Liabilities	3,243,956	3,243,956	0	0.00%	
Total liabilities	6,760,139	5,684,735	(1,075,403)	-3.81%	
Deferred Inflows of Resources					
Group Term Life - OPEB Expenses	14,000	14,000	0	0.00%	
Pension Expenses	141,395	141,395	0	0.00%	
Net Position					
Invested in Capital Assets	102,306,073	102,307,344	1,272	-0.21%	
Restricted:					
Unrestricted:	11,810,928	12,802,103	991,176	1.27%	
	3,301,038	2,284,171	(1,016,867)	6.50%	
Total Net Position	117,418,038	117,393,619	(24,419)	0.07%	
Total Liabilities, Deferred Inflows and Net Position	124,333,572	123,233,749	(1,099,823)	-0.13%	



Operating Statistics-Fiscal Year 2019

	October		FYTD		FY		FY		FY		FY		FY		FY		FY	
	2019	2018	2020	2019	2019	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009		
Aircraft Operations																		
<i>Iteirant:</i>																		
<i>Air Carrier/Taxi</i>	2,816	2,897	10,331	10,598	-3%	30,980	27,975	23,143	19,782	20,049	20,214	17,382	17,493	18,615	19,412	20,675		
<i>General Aviation</i>	2,990	3,177	12,035	12,271	-2%	34,403	30,443	25,248	22,937	28,782	30,785	31,024	33,561	36,394	41,394	39,288		
<i>Military</i>	266	208	1,041	741	40%	2,503	2,269	2,133	2,007	1,883	1,881	2,034	2,297	1,754	1,984	1,831		
<i>Local:</i>																		
<i>General Aviation</i>	2,252	2,268	9,875	9,249	7%	23,263	18,867	14,123	14,094	19,525	20,040	18,809	20,324	20,486	17,294	18,075		
<i>Military</i>	854	708	2,702	1,776	52%	6,432	6,226	4,211	3,511	3,754	4,147	3,457	4,063	3,118	3,087	3,354		
Total Operations	9,178	9,258	35,984	34,635	4%	97,581	85,780	68,858	62,331	73,993	77,067	72,706	77,738	82,367	83,171	83,223		
Enplaned Passengers	36,437	35,316	134,656	124,133	8%	378,441	348,922	315,099	286,030	261,631	238,398	227,874	232,571	215,869	196,060	177,659		
Deplaned Passengers	37,127	35,282	135,762	125,387	8%	374,011	347,590	313,512	284,218	261,168	232,164	226,294	231,466	213,692	195,867	177,160		
Enplaned Load Factor	82%	82%	81%	79%	1%	79%	82%	80%	84%	86%	81%	76%	75%	72%	69%	65%		
Available Seats	44,497	42,954	167,186	156,373	7%	476,109	424,542	392,267	340,237	322,555	307,522	299,226	310,789	299,182	286,136	294,076		
Parking Revenue	431,408	424,877	1,579,605	1,501,805	5%	4,380,420	4,335,457	3,375,790	3,088,197	2,906,401	2,604,747	2,134,028	2,193,373	2,003,507	1,700,145	1,478,901		
FBO Fuel Gallons Pumped																		
<i>GA -100LL</i>	5,005	4,691	19,538	17,079	15%	46,043	48,861	45,924	54,530	51,551	56,862	55,862	60,275	62,518	69,178	71,860		
<i>GA/Corporate Jet-A</i>	118,337	118,943	421,674	418,483	1%	1,256,084	1,111,263	1,073,227	1,010,722	998,910	1,008,861	969,930	969,423	942,165	911,363	833,494		
<i>Military Jet-A</i>	0	0	0	0	0%	15	0	51,974	60,812	66,988	63,084	72,238	86,510	53,611	73,901	67,114		
<i>Airline</i>	376,381	296,586	1,358,152	1,159,941	17%	3,738,428	2,967,944	2,493,636	2,224,092	2,107,002	1,982,735	1,843,362	1,745,200	1,639,075	1,491,980	1,456,843		
Total Fuel	499,723	420,220	1,799,384	1,595,505	13%	5,040,570	4,128,068	3,087,606	3,350,156	3,224,451	3,111,542	2,941,592	2,861,408	2,697,369	2,546,422	2,429,311		
Food/Beverage/Retail																		
<i>Tailwinds, LLC.</i>	198,030	188,922	744,533	660,419	13%	2,000,661	1,740,799	1,478,844	1,080,096	712,785	767,875	669,869	670,989	638,226	561,104	502,703		
Rental Car Revenue*	1,088,457	995,766	4,199,768	3,797,436	11%	10,456,100	9,991,227	9,549,495	8,783,484	8,161,735	7,288,497	6,880,431	7,019,796	6,048,867	5,281,662	4,613,200		

*Concessionable revenue-not gross



Operating Statistics-Fiscal Year 2019

	November 2019		November 2018		FYTD 2020		FYTD 2019		Calendar Year											
	2019	2018	2019	2018	2020	2019	2019	2018	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009		
Aircraft Operations																				
<i>Itinerant:</i>																				
<i>Air Carrier/Taxi</i>	2,768	2,649	13,099	13,247	4%	24,221	21,076	15%	48,861	45,924	54,530	51,551	56,862	55,862	60,275	62,518	69,178	71,860		
<i>General Aviation</i>	2948	2,902	14,983	15,173	2%	540,929	525,031	3%	1,111,263	1,073,227	1,010,722	998,910	1,008,861	969,930	969,423	942,165	911,363	833,494		
<i>Military</i>	190	186	1,231	927	2%	0	15	0%	0	51,974	60,812	66,988	63,084	72,238	86,510	53,611	73,901	67,114		
<i>General Aviation Military</i>	2,158	1,505	12,033	10,754	43%	1,711,323	1,481,750	15%	2,967,944	2,493,636	2,224,092	2,107,002	1,982,735	1,843,362	1,745,200	1,639,075	1,491,980	1,456,843		
<i>Military</i>	512	346	3,214	2,122	48%	2,276,473	2,027,872	12%	4,128,068	3,087,606	3,350,156	3,224,451	3,111,542	2,941,392	2,861,408	2,697,369	2,546,422	2,429,311		
Total Operations	8,576	7,588	44,560	42,223	13%	921,184	836,604	0%	1,740,799	1,478,844	1,080,096	0	0	0	0	0	0	0		
Enplaned Passengers	34,594	32,901	169,250	157,034	5%	209,444	196,739	6%	424,542	392,267	340,237	322,555	307,522	299,226	310,789	299,182	286,136	294,076		
Deplaned Passengers	33,558	32,154	169,320	157,541	4%	1,963,478	1,888,177	4%	4,335,457	3,375,790	3,088,197	2,906,401	2,604,747	2,134,028	2,193,373	2,003,507	1,700,145	1,478,901		
Enplaned Load Factor	82%	82%	81%	80%	0%			1%	82%	80%	84%	86%	81%	76%	75%	72%	69%	65%		
Available Seats	42,258	40,366	209,444	196,739	5%			6%												
Parking Revenue	583,873	386,372	1,963,478	1,888,177	-1%			4%												
FBO Fuel Gallons Pumped																				
<i>GA -100LL</i>	4,662	3,997	24,221	21,076	17%			15%												
<i>GA/Corporate Jet-A</i>	119,255	106,546	540,929	525,031	12%			3%												
<i>Military Jet-A</i>	0	15	0	15	0%			0%												
<i>Airline</i>	353,171	321,809	1,711,323	1,481,750	10%			15%												
Total Fuel	477,088	432,367	2,276,473	2,027,872	10%			12%												
Food/Beverage/Retail																				
<i>Tailwinds, LLC.</i>	176,651	176,185	921,184	836,604	0%			10%												
Rental Car Revenue*	901,550	847,738	5,101,318	4,645,174	6%			10%												

*Concessionable revenue-not gross



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: January 30, 2020

SUBJECT: **Action Item #1** – Annual Appointment of a Chairman, a Vice-Chairman, and the Secretary/Treasurer

RECOMMENDATION: To select a Chairman, a Vice-Chairman, and the Secretary/Treasurer in accordance with the Authority’s enabling legislation.

BACKGROUND: Chapter 864 of the Acts of Assembly of 2003 § 6 states “The Authority shall annually elect one of its members to serve as chairman, and another member to serve as vice chairman.” Historically the Commission also performs this same appointment for consistency.

The same section also states, “The Authority shall also elect annually a secretary/treasurer, who may or may not be a member of the Authority.”



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: January 30, 2020

SUBJECT: **Action Item #2:** FY-2019 Comprehensive Annual Financial Report

RECOMMENDATION: For the Board to Accept the FY-2019 Comprehensive Annual Financial Report as presented.

BACKGROUND: As noted within the transmittal letter on page one of the FY-2019 Comprehensive Annual Financial Report; this report has been published in accordance with the requirements of the enabling legislation as well as the master bond indenture of trust which governs the issuance of indebtedness by the Authority. Moreover, it was prepared in accordance with generally accepted accounting principles (GAAP) by a firm of licensed certified public accountants.

The goal of the independent audit is to provide reasonable assurance that the Authority's financial statements for the year ended June 30, 2019 are free of material misstatement. The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion and that the Authority's financial statements for the year ended June 30, 2019 are in conformity with GAAP. Within the accompanying FY-2019 CAFR Management Letter, the auditors have identified two items of concern along with recommendations to address these items. The following are the two items that were identified and staff's response to each item:

Item #1- Bank Reconciliation and Transfers: The June and July 2019 bank reconciliations for the revenue (operating) account included several general journal entries as uncleared, reconciling items. Transactions totaling \$305.83 dated 7/14/17 and 3/31/18 were listed as outstanding checks and a general journal entry dated 9/1/17 in the amount of \$94.32 was reported as a deposit in transit. Similarly, an EFT from 2/14/19 for an ICMA-RC payment was reported as an outstanding item in June and July. The business lounge account reported two deposits in transit dated 4/18/19 and 6/25/19 totaling \$105 on the June and July 2019 bank reconciliations. Deposits should clear the bank within 3 to 5 business days. During the monthly reconciliation and review process, reconciling items should be reviewed for reasonableness and uncleared deposits should be researched and resolved in a timely manner.

Several June 2019 bank reconciliations reported reconciling items for transfers that were not made or for transfers made in error. We also noted that overdraft fees of \$72 were charged to the capital bank account in October 2018 when checks of \$15,631.46 and \$14,742.45 cleared. We recommend management review internal control procedures for reviewing cash balances prior to issuing checks. In addition, procedures for transferring funds between bank accounts should be reviewed to ensure transfers are made when necessary and that transfers are made between the appropriate accounts.

Item #1 Response: *During the conversion from Great Plains to Quickbooks for the accounting system, there were three months (April 2018-June 2018) where entries were entered into both systems. It was necessary to enter balances as of March 2018 into Quickbooks in order to run financial statements and compare the two systems. During this process, there were some entries that were either entered in error*

or duplicated later and as a result, there are items on the bank reconciliation as outstanding items. These items will be examined and removed as necessary.

A new procedure will be implemented whereby the accountant will verify the bank balance and any outstanding checks prior to issuing checks against the capital fund bank account. This bank account is strictly for capital projects and funding must be moved from various sources to cover any checks written from it. This step will ensure the money has been moved as the person that cuts the checks is not the same person that transfers the money.

Item #2 – Credit Card Usage: Several charges on the credit card statement from August 2018 were missing receipts or other supporting documentation. In one instance, a signed explanation was submitted. Also, in some cases, sales tax was charged and paid. In the event receipts are lost, we recommend the individual who made the charge provide a written statement detailing the expense, including who was involved, the business purpose, the amount, etc. In addition, to the extent possible, the sales tax exemption certificate should be provided to vendors to avoid paying unnecessary taxes.

Item #2 Response: *Staff is in the process of updating accounting policies and procedures. For misplaced receipts, purchasers will attempt to search through email verifications or ask vendors directly for copies of any receipts. If they still cannot locate a receipt, they will be allowed to provide a written statement detailing the expense which must be approved by their supervisor who verifies it is justified and reasonable. Other explanations that might be necessary would be who was involved, the purpose of the meeting (meal expenses), etc.*

The policy will address our exemption status and what purchasers must do when placing orders, i.e., provide a sales tax exemption certificate to vendors.

Repeat offenders will lose their credit card privileges.

A draft of the minutes of the Audit Committee meeting held on December 16, 2019 is provided as Attachment #4.

PRIOR ACTION: N/A

FUNDING: N/A

FINANCIAL IMPACT: N/A

ATTACHMENTS: Attachment #1 – FY2019 CAFR Governance Letter
Attachment #2 – FY2019 CAFR Management Letter
Attachment #3 to be provided - The FY2019 Comprehensive Annual Financial Report (CAFR)
Attachment #4 - December 16, 2019 Audit Committee Minutes

PRESENTATION: N/A



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Communication with Those Charged with Governance

**To the Honorable Members of the
Charlottesville-Albemarle Airport Authority**

We have audited the financial statements of Charlottesville-Albemarle Airport Authority for the year ended June 30, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 24, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Charlottesville-Albemarle Airport Authority are described in Note 2 to the financial statements. As described in Note 15 to the financial statements, Charlottesville-Albemarle Airport Authority changed accounting policies related to other postemployment benefits by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. We noted no transactions entered into by Charlottesville-Albemarle Airport Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were useful lives of capital assets used to calculate depreciation and pension and OPEB related items.

Management's estimate of useful lives and related depreciation is based on established guidelines and experience. Pension and OPEB related items were calculated by an actuary contracted by the State retirement system. We evaluated the key factors and assumptions used to develop depreciation expense and pension and OPEB related items in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, there was one misstatement detected as a result of audit procedures and corrected by management that was material to the financial statements. This was a reclassification of \$268,531 in funds between the PFC state entitlement account and PFC fund account that were transferred to the wrong bank account in error.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 23, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Charlottesville-Albemarle Airport Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Charlottesville-Albemarle Airport Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules related to pension and OPEB funding, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Matters: (Continued)

We were engaged to report on the schedule of administrative expenses, the schedule of expenditures of federal awards, and the schedule of Passenger Facility Charges collected and expended and interest credited, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section or statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the Authority Board, audit committee, and management of Charlottesville-Albemarle Airport Authority and is not intended to be and should not be used by anyone other than these specified parties.

Robinson Faxon Cox Associates

Charlottesville, Virginia
December 23, 2019



ROBINSON, FARMER, COX ASSOCIATES, PLLC

Certified Public Accountants

Date: December 23, 2019

MEMORANDUM TO: Charlottesville-Albemarle Airport Authority
FROM: Robinson, Farmer, Cox Associates
REGARDING: FY 18-19 Audit

In planning and performing our audit of the financial statements of Charlottesville-Albemarle Airport Authority for the year ended June 30, 2019, we considered the Authority's internal control structure to plan our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted certain matters involving the internal control structure and other operational matters that are presented for your consideration. This letter does not affect our report dated December 23, 2019, on the financial statements of Charlottesville-Albemarle Airport Authority. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control structure or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

Bank Reconciliations and Transfers

The June and July 2019 bank reconciliations for the revenue (operating) account included several general journal entries as uncleared, reconciling items. Transactions totaling \$305.83 dated 7/14/17 and 3/31/18 were listed as outstanding checks and a general journal entry dated 9/1/17 in the amount of \$94.32 was reported as a deposit in transit. Similarly, an EFT from 2/14/19 for an ICMA-RC payment was reported as an outstanding item in June and July. The business lounge account reported two deposits in transit dated 4/18/19 and 6/25/19 totaling \$105 on the June and July 2019 bank reconciliations. Deposits should clear the bank within 3 to 5 business days. During the monthly reconciliation and review process, reconciling items should be reviewed for reasonableness and uncleared deposits should be researched and resolved in a timely manner.

Several June 2019 bank reconciliations reported reconciling items for transfers that were not made or for transfers made in error. We also noted that in overdraft fees of \$72 were charged to the capital bank account in October 2018 when checks of \$15,631.46 and \$14,742.45 cleared. We recommend management review internal control procedures for reviewing cash balances prior to issuing checks. In addition, procedures for transferring funds between bank accounts should be reviewed to ensure transfers are made when necessary and that transfers are made between the appropriate accounts.

Credit Card Usage

Several charges on the credit card statement from August 2018 were missing receipts or other supporting documentation. In one instance, a signed explanation was submitted. Also, in some cases, sales tax was charged and paid. In the event receipts are lost, we recommend the individual who made the charge provide a written statement detailing the expense, including who was involved, the business purpose, the amount, etc. In addition, to the extent possible, the sales tax exemption certificate should be provided to vendors to avoid paying unnecessary taxes.

DRAFT Minutes of the Audit Committee of the Charlottesville-Albemarle Airport Audit Committee
December 16, 2019
3:30 pm
Flora Petit Conference Room, 530 E. Main St., Charlottesville

Present (in person):

Lisa Breeden, Committee Member
Chris Cullinan, Committee Member and Chair
J. Addison Barnhardt, Committee Member
Craig Lefanowicz, Committee Member
Don Long, Committee Member
Penny Shifflett, Director of Finance, Airport Authority
Kristen Choate, Member, Robinson Farmer Cox Associates

Absent:

None

The meeting began at 3:34 pm.

Agenda Item #1: Review and approve minutes from June 16, 2019 meeting.

The minutes were amended to add Mrs. Breeden to the list of attendees. Mr. Lefanowicz moved that the minutes be approved; Mr. Barnhardt seconded the motion. The motion passed 5-0.

Agenda Item #2: FY 2019 Audit.

Mrs. Choate led a review of the audit, Management Letter, and Comprehensive Annual Financial Report (CAFR). She began her report noting that the Authority received an unmodified (i.e. clean) audit opinion for FY 2019. Other highlights she noted included the complete repayment of the \$6.7 million Series 2004 Refunding Bond, the Authority's manageable debt balances, and implementation of Governmental Accounting Standards Board (GASB) Statement No. 88 (see Note 15 in the CAFR).

In the letter to those charged with governance, Mrs. Choate noted she encountered no difficulties or disagreements with management while performing the audit. The Management Letter offered two comments and recommendation for staff to implement. The first recommendation was in reference to timely resolution of bank reconciliations. The second recommendation concerned staff use of credit cards and ensuring receipts and/or supporting documentation was provided in a complete and timely manner. Also, that the Authority is exempt from Virginia sales tax and that the Authority's sales tax exemption certificate should be provided to vendors to avoid paying unnecessary taxes. Staff provided responses to both recommendations which were agreeable to the Committee.

Mrs. Choate also noted no issues or concerns regarding Federal schedules or Passenger Facility Charges.

Mrs. Shifflett noted several highlights for FY 2019. All revenues finished above budget. Expenditures were higher than the previous year as a result of a fully staffed public safety department, custodial services being brought in-house, and the ambassadors programs.

Agenda Item #3: Committee Communications to/from Board or Staff.

Mrs. Shifflett commented that she would check the status of the terms of the members of the Audit Committee.

Agenda Item #4: Other Business.

None.

Agenda Item #5: Matters by the Public.

Members of the public were invited to comment. No members of the public were present.

Mr. Long made a motion to adjourn the meeting. Mr. Lefanowicz seconded the motion. The Committee voted 5-0 to adjourn the meeting at 4:01 pm.



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: January 30, 2020

SUBJECT: **Action Item #3-** 2020 Audit Committee Membership

RECOMMENDATION: For the Board to appoint the 2020 Audit Committee by approving Resolution No: 2020-1 “Appointment of the 2020 Membership of the Audit Committee”

BACKGROUND: On March 21, 2012 (last updated on May 21, 2015 by Resolution 2015-2), the Authority passed a resolution creating the Audit Committee Charter. Within this charter the Audit Committee was charged with advising the Authority of financial and accounting matters relating to the Authority’s audited financial reports. Each year by resolution, the Authority appoints the membership of the Audit Committee for that year. Resolution No: 2020-1 is attached which outlines the membership of the 2020 Audit Committee.

PRIOR ACTION: N/A

FUNDING: N/A

FINANCIAL IMPACT: N/A

ATTACHMENTS: Attachment #1 –Resolution No. 2020-1 “Appointment of the 2020 Membership of the Audit Committee”

PRESENTATION: N/A

RESOLUTION NO. 2020-1

ESTABLISHING 2020 MEMBERSHIP OF THE AUDIT COMMITTEE

WHEREAS, by resolution dated March 15, 2017 (“Committee Charter”) the Charlottesville-Albemarle Airport Authority reauthorized an audit committee previously created by resolution approved on March 21, 2012, charging the audit committee to advise the governing body of the Authority on financial and accounting matters of or relating to the Authority’s audited financial reports, consistent with the responsibilities referenced within said resolution; and

WHEREAS, the membership of the committee is to be constituted on an annual basis by the Authority’s governing board, consistent with the membership established by the Committee Charter (last updated on May 21, 2015 by Resolution 2015-2), and the governing board desires to establish the membership of the committee for calendar year 2020; now, therefore,

BE IT RESOLVED THAT the 2020 membership of the Charlottesville-Albemarle Airport Authority Audit Committee shall be as follows:

1. The City of Charlottesville’s Director of Finance, or his or her designee;
2. The Albemarle County Director of Finance, or his or her designee;
3. Addison Barnhardt, a member of the Charlottesville-Albemarle Airport Commission, and who is hereby appointed to serve on the committee for a term concurrent with his or her term of service on the Commission; and
4. Craig Lefanowicz, an individual who the board hereby finds to be deeply-skilled in accounting, and who was appointed to serve on the committee to complete the unexpired term of an individual who resigned. That term expired on December 31, 2017. Mr. Lefanowicz expressed an interest to continue serving on the committee, therefore the 1st of his two (2) three (3) year possible terms began on 1/1/18 and Mr. Lefanowicz may serve on the Audit Committee through December 31, 2023.
5. Don Long, an individual who the board hereby finds to be deeply-skilled in business and/or business law and who was appointed to serve on the committee for his first three (3) year term on January 1, 2015. That term expired on December 31, 2017 and Mr. Long expressed his desire to stay on for his second term. Mr. Long may serve on the Audit Committee through December 31, 2020.

ADOPTED this 30th day of January, 2020.

Vote

Ayes: _____ Noes: _____

Certified

By: _____
Melinda Crawford, Secretary



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: January 30, 2020

SUBJECT: **Action Item #4-** Smith Vicars Aviation Agreement Letter

RECOMMENDATION: For the Board to approve Resolution No. 2020-2 “Executive Director Authorization to Administer the Agreement Letter with Smith Vicars Aviation for Periodic Tenancy”

BACKGROUND: Smith Vicars Aviation (SVA) (formerly known as Smith-Worrell Joint Venture and previously known as AMVEST-Worrell Joint Venture) entered into a Deed of Lease with the Charlottesville-Albemarle Airport Board, dated September 9, 1983. That lease was amended three times, and the term of the lease will expire on March 13, 2020. At that time, the cumulative term of the lease will be 37 years, and as per the terms of the lease, all improvements will revert back to the Authority. SVA has requested an extension of the term, but that request cannot be approved due to the Federal Aviation Administration’s restrictions associated with long-term exclusive leases which are not competitively bid.

Since the Authority is in the process of performing a Terminal Area Masterplan project which will provide guidance for the future development of the Authority’s complete terminal area which includes the SVA leased premises, there are no immediate plans for SVA’s ramp or associated improvements. Staff has worked with legal and SVA to develop an agreement letter which will allow SVA to remain at the leased premises under certain provisions. Two major provisions of the agreement letter requires SVA’s rent to increase from \$4517.12/month to the current fair market value of \$7,818.39/month, and an extended notification period of 180-days will be also afforded to SVA when the Authority determines that SVA needs to vacate the property.

If approved and as noted in the attached Resolution No. 2020-2, the Executive Director will be designated as the Board’s agent for administration of the agreement letter, including, without limitation: executing and issuing the agreement letter on behalf of the Authority; giving of notices and approvals required of the Authority, and exercising and enforcing such other rights as may be authorized or reserved to the Authority within the lease and agreement letter.

PRIOR ACTION: September 1983 – Original lease with AMVEST-Worrell Joint Venture

FUNDING: N/A

FINANCIAL IMPACT: Beginning March 14, 2020, the rent will increase from \$4,517.12 per month to \$7,818.39 per month. This monthly rental rate will increase by 1.5% on November 1st of each year of the tenancy, unless both parties have agreed otherwise in writing.

ATTACHMENTS: Attachment #1 – Smith Vicars Agreement Letter
Attachment #2 – Resolution No. 2020-2 “Executive Director Authorization to Administer the Agreement Letter with Smith Vicars Aviation for Periodic Tenancy”

PRESENTATION: N/A

DATE:

Dear Mr. Huffman,

This letter serves to memorialize the understanding that we reached regarding the future relationship between Smith Vicars Aviation (“SVA”) and the Charlottesville-Albemarle Airport Authority (“CHO”). The lease agreement between SVA and CHO will expire according to its own terms on March 13, 2020. I have attached all of the documents associated with that lease, including all deeds of amendment, to this letter.

SVA may remain on the property beyond March 13, 2020, however, as a periodic tenant on a month-to-month basis. To the extent practicable, the terms and conditions contained in the expired lease will remain in effect, with the following modifications:

- SVA will pay \$7,818.39 per month in rent. The monthly rental will increase by 1.5% on November 1 of each year of the tenancy, unless the parties have agreed otherwise in writing.
- SVA may continue to purchase fuel and will remit fuel flowage fees in the appropriate amount to CHO.
- SVA will continue to assume all responsibilities associated with a triple net commercial lease agreement, including payment for repairs, maintenance, utilities, and insurance. CHO will assume responsibility for the payment of all property taxes, however.
- SVA may continue to sublease the property, with the understanding that any interest of sub-lessee in the property will terminate along with SVA’s tenancy.
- SVA may discontinue its tenancy by providing written notice to CHO at least 90 days in advance of its intention to vacate the property. CHO may terminate SVA’s tenancy by providing written notice to SVA at least 180 days in advance of its intention to re-occupy the property.

Sincerely,

Melinda Crawford
Charlottesville-Albemarle Airport Authority

SEEN AND AGREED TO:

Smith Vicars Aviation
By: Randolph H. Huffman
Senior Vice President-Chief Financial Officer
Smith, Vicars & Company
It's Managing Partner

RESOLUTION NO. 2020-2
EXECUTIVE DIRECTOR AUTHORIZATION TO ADMINISTER THE AGREEMENT LETTER WITH
SMITH VICARS AVIATION FOR PERIODIC TENANCY

WHEREAS, the Charlottesville Albemarle Airport Authority (Authority) is an independent political subdivision of the Commonwealth of Virginia, located in the County of Albemarle, Virginia, and is the successor in interest to the former Charlottesville-Albemarle Airport Board;

WHEREAS, Smith Vicars Aviation (SVA) (formerly known as Smith-Worrell Joint Venture and previously known as AMVEST-Worrell Joint Venture) entered into a Deed of Lease with the Charlottesville-Albemarle Airport Board, dated September 9, 1983, of record in the land records for the County of Albemarle, Virginia, in Deed Book 852, page 501 (hereinafter, the "Lease");

WHEREAS, the Lease was (a) amended by First Deed of Amendment dated July 15, 1999, of record in the land records for the County of Albemarle, Virginia, in Deed Book 1847, page 674, (b) amended by Second Deed of Amendment dated November 3, 2002, of record in the land records for the County of Albemarle, Virginia, in Deed Book 2344, page 245, (c) clarified by letter of agreement dated December 16, 2011 and (d) entered into the Third Deed of Amendment on March 14, 2015 providing a five year extension to the Lease; and

WHEREAS, the term of the Lease will expire on March 13, 2020 at which time the cumulative term of the Lease will have been thirty-seven years, and all improvements will revert back to the Authority as per the Lease terms. An additional extension of the term of the Lease to SVA is not an option due to Federal Aviation Administration's restrictions associated with long-term leases which are not competitively bid; and

WHEREAS, the Authority is in the process of extending its air carrier ramp to within feet of the SVA leased ramp area, and the Authority has also entered into a contract with a firm to perform a Terminal Area Masterplan which will provide guidance for the future development of the Authority's terminal area which includes the SVA leased premises; and

WHEREAS, SVA wishes to continue leasing the premises, and the Authority is agreeable until the Terminal Area Masterplan is completed which will provide guidance on the future use of the premises. However, a standard hold-over tenancy is not feasible due to the need to provide SVA with a longer notification period when the Authority determines SVA needs to vacate the property; and,

WHEREAS, in consideration of the mutual promises and covenants contained herein and in the Lease and its prior amendments, an "Agreement Letter For Periodic Tenancy" with SVA which outlines the terms of SVA's month-to-month occupancy of the premises beginning on March 14, 2020 is provided; and

BE IT RESOLVED by the governing Board of the Charlottesville-Albemarle Airport Authority that the Executive Director is hereby designated as the Board's agent for administration of said agreement letter, including, without limitation: executing and issuing the agreement letter on behalf of the Authority; giving of notices and approvals required of the Authority, and exercising and enforcing such other rights as may be authorized or reserved to the Authority within the Lease and agreement letter.

ADOPTED this 30th day of January 2020.

Vote:

Aye: _____

No: _____

Certified:

By: _____

Melinda Crawford, Secretary



TO: Members of the Charlottesville Albemarle Airport Authority

FROM: Melinda C. Crawford, Executive Director

DATE: January 30, 2020

SUBJECT: **Action Item #5-** Transportation Network Company Agreements

RECOMMENDATION: For the Board to approve Resolution No. 2020-3 “Executive Director Authorization to Administer the Transportation Network Company Agreements with Uber and Lyft”

BACKGROUND: As per Virginia Code Section 46.2-2099.48.L, “No transportation network company or TNC partner shall conduct any operation on the property of or into any airport unless such operations is authorized by the airport owner and operator and is in compliance with the rules and regulations of that airport.” In December of 2018, the Board amended its Rules and Regulations and Section 9.03 was expanded to allow for the regulation of TNCs operating on Airport properties. At that time, the Board was provided with the results of an extensive survey of TNC fees charged at various airports across the country. After careful review, a detailed discussion about how much of this Airport’s staff’s time is (and will be) allocated to control of TNC operations at CHO, and much deliberation; the Board approved staff’s recommendation for a \$2 pick-up and \$2 drop-off for all TNCs operating at the Airport.

Staff developed a Transportation Network Company Agreement which was reviewed and approved by legal. This agreement has been submitted to both Uber and Lyft. Staff has also completed the installation of a “TNC Stand Area” south of the terminal at curbside. As noted in the agreement, TNC drivers will be required to pick-up passengers at that area, and the drivers will be dropping passengers off at the curbside near the departures/ticket counter entrance to the terminal.

If approved and as noted in the attached Resolution No. 2020-3, the Executive Director will be designated as the Board’s agent for administration of the TNC Agreements, including, without limitation: executing the agreements on behalf of the Authority; giving of notices and approvals required of the Authority, and exercising and enforcing such other rights as may be authorized or reserved to the Authority within the agreement.

PRIOR ACTION: December 2018 – Board amended the Authority’s Rules and Regulations to allow for TNC operations and approved pick-up and drop-off fees.

FUNDING: N/A

FINANCIAL IMPACT: While the actual number of monthly TNC pick-ups and drop-offs have not been determined, staff believes that the activity is averaging about 5-10 pick-ups and drop-offs per flight. If that estimate is correct, then fees received could be estimated as follows:

5 passengers x (26 departures per day + 26 arrivals per day) x \$2 = \$520 per day
\$520 x 365 days = \$189,800 per year

ATTACHMENTS: Attachment #1 – Transportation Network Company Agreement
Attachment #2 – Resolution No. 2020-3 “Executive Director Authorization to Administer the TNC Agreements with Uber and Lyft”

PRESENTATION: N/A

NON-EXCLUSIVE OPERATING AGREEMENT TO PROVIDE TRANSPORTATION NETWORK COMPANY SERVICES AT CHARLOTTESVILLE-ALBEMARLE AIRPORT

THIS NON-EXCLUSIVE OPERATING AGREEMENT TO PROVIDE TRANSPORTATION NETWORK COMPANY SERVICES AT CHARLOTTESVILLE-ALBEMARLE AIRPORT (together with the Exhibits attached hereto, this "Permit"), is made and entered into as of this ___ day of February, 2020, by and between the CHARLOTTESVILLE-ALBEMARLE AIRPORT AUTHORITY, a political subdivision of the Commonwealth of Virginia (the "Authority"), and the following Transportation Network Company" _____, a _____ with a place of business at _____ FEIN _____ and authorized to operate in the Commonwealth of Virginia to do business. Upon execution of this Agreement by both the Authority and the transportation network company, and for so long as the Agreement remains in effect, the transportation network company shall be deemed to be operating at the Charlottesville Albemarle Airport pursuant to a permit granted by the Authority. Hereinafter, the transportation network company shall be referred to as the "Permittee."

Capitalized terms used herein which are not otherwise defined herein shall have the meaning given them in the Terms and Conditions, attached hereto as Exhibit A. This Permit is made with reference and subject to the following facts:

- A. The Authority is a political subdivision of the Commonwealth of Virginia and is the owner and operator of the Charlottesville-Albemarle Airport (the "Airport").
- B. The Authority is charged with and responsible for regulating the provision of ground transportation services at the Airport.
- C. Permittee is a Transportation Network Company ("TNC") authorized to operate by and within the Commonwealth of Virginia.
- D. Permittee desires to derive financial benefit by authorizing affiliated TNC Drivers to operate one or more TNC Vehicles for the purpose of transporting Passengers to and from the Airport.
- E. Permittee has requested Authority to authorize certain authorized TNC Vehicles and TNC Drivers to conduct operations at the Airport for the purpose of picking-up and dropping-off Passengers, and to use certain roadways, parking areas and curb space at the Airport for such purpose.
- F. Permittee, in consideration of the Authority granting Permittee authorization to enable its TNC Drivers to operate TNC Vehicles at the Airport and to use Airport roadways, parking areas and curb space at the Airport for such purpose, agrees to conduct its services at the Airport in accordance with the terms and conditions of this Permit.
- G. The Authority desires to grant Permittee the non-exclusive right to operate authorized TNC Vehicles at the Airport for the purpose of dropping-off, picking-up and transporting Passengers in accordance with the terms and conditions of this Permit.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1. SERVICES.

1.1 Grant of Permit. By issuance of this Permit, the Authority hereby grants Permittee the non-exclusive right, in common with others so authorized, to operate at the Airport for the purpose of dropping-

off, picking-up and transporting Passengers to and from the Airport in accordance with the terms and conditions of this Permit.

1.2 No Representations or Warranties. The Permittee hereby acknowledges and agrees that the Authority does not make, and has not made, any representation, warranty, assurance, or guaranty that this Permit, or the operations conducted hereunder, will generate any minimum, maximum, or optimum volume of airline or other passenger traffic business, or that any minimum, maximum, or optimum volume of airline or other passenger traffic business or revenue will occur.

SECTION 2. PAYMENT.

2.1 Fees and Charges. In consideration of the limited rights granted by the Authority pursuant to this Permit, Permittee hereby agrees to pay to the Authority during the term of this Permit a per trip fee of Two Dollars (\$2.00) for each Trip (defined below) conducted by a TNC Driver in a TNC Vehicle at the Airport (the "Per Trip Fee"). The term "Trip" means each and every instance in which a TNC Vehicle drops-off or picks-up a Passenger at the Airport.

2.2 Monthly Payment of Per Trip Fees. All Per Trip Fees payable hereunder shall be paid monthly by Permittee to the Authority. The Monthly Payment (defined below) is due in full within thirty (30) calendar days of the close of any calendar month while this Permit is in effect. Payments shall be made to Authority in legal tender of the United States, free from all claims, demands, setoffs, or counterclaims of any kind, and should be delivered to the Authority at the following address:

Charlottesville-Albemarle Airport Authority
Department of Finance
100 Bowen Loop, Suite 200
Charlottesville, VA 22911

The term "Monthly Payment" means the product of (a) the number of Trips conducted by Permittee's TNC Vehicles in one calendar month, and (b) the Per Trip Fee then in effect. The Monthly Payment shall be accompanied by a full reporting of the Permittee's operations at the Airport for the payment period, in accordance with Section 2.6 below.

2.3 Late Payments. Monthly Payments not received by the Authority within thirty (30) calendar days following the close of any calendar month will be subject to a late fee in the amount of two percent (2%) of the Monthly Payment.

2.4 Under Payments. Should any examination, inspection or audit of Permittee's books and records by the Authority disclose an underpayment by Permittee of the Monthly Payment due the Authority, Permittee shall promptly pay the Authority the amount of such undisputed underpayment within five (5) days after notice thereof.

2.5 Airport Geo-Fence Downtime. In the event of a failure (a "Downtime") of the TNC Vehicle tracking mechanism enabled by the Airport Geo-Fence, the Authority shall determine the amount of the Permittee's Monthly Payment for such Downtime based upon the average monthly number of Trips made in the last twelve (12) months for the same amount of time, taking into account time of day and day of week. If the permit has not been in place for a twelve (12) month period, then an average number of Trips for the period of time the permit has been in place will be used taking into account time of day and day of week.

2.6 Monthly Reports. Within thirty (30) days of the close of any calendar month while this Permit is in effect, Permittee shall submit to the Authority, along with the Permittee's Monthly Payment, its operations report for the previous calendar month (the "Monthly Report"). The Monthly Report shall be in an agreed-upon electronic format and shall include for each date of operation and for each Trip the following information: (a) the first three digits of the license plate number of the TNC Vehicle, (b) the time of drop-off

or pick-up by the TNC Vehicle, and (c) the location of each drop-off or pick-up. The Monthly Report shall also include the total number of Trips for the reporting period. If the Authority is unable to match the license plate number of a TNC Vehicle that was on a Trip with the first three digits of the license plate numbers contained in a Monthly Report submitted by Permittee, the Authority may request that Permittee supplement its Monthly Report with the full license plate numbers for any Trips or TNC Vehicles in question. Upon receipt of such request, the Permittee shall submit a supplemental Monthly Report to the Authority containing the full license plate numbers for any Trips or TNC Vehicles in question within five (5) business days.

SECTION 3. SUSPENSION OR TERMINATION OF PERMIT.

3.1 Suspension or Termination by the Authority. Authority has the right to terminate this Permit is terminable at any time in the sole and absolute discretion of the Authority by giving at least ninety (90) days' prior written notice of termination to Permittee. Notwithstanding the foregoing, the Authority may also suspend or terminate this Permit upon the occurrence of an Event of Default (as defined in Section 17 of the Terms and Conditions, attached hereto as Exhibit A). Should this Permit be suspended by the Authority, and thereafter Permittee continues to instruct any of its TNC Drivers to engage in providing TNC Services at the Airport, and any such TNC Driver is found to have been operating at the Airport during the period of suspension, the Authority shall have the right to terminate this Permit immediately and without prior notice to the Permittee.

3.2 Termination by Permittee. Permittee may terminate this Permit by giving at least sixty (60) days' prior written notice to the Authority. The Permittee is responsible for payment to the Authority of all Per Trip Fees up to and including the date of such termination by the Permittee.

SECTION 4. COMMENCEMENT DATE; TERM.

4.1 Commencement Date. This Permit shall be effective, and the "Commencement Date" shall be deemed to occur, on the date in which all of the following conditions precedent have been satisfied, in the Authority's sole and absolute discretion:

- (a) The Authority has received all necessary and sufficient insurance certificates or documents, in a form acceptable to the Authority, evidencing that Permittee has obtained the necessary insurance required by this Permit;
- (b) The Permittee has made available to each TNC Driver the relevant portions of this Permit that are applicable to TNC Drivers, and Permittee has instructed each TNC Driver regarding the terms and conditions of this Permit, including without limitation, the requirement that each TNC Driver shall comply with the terms and conditions of this Permit and the Rules and Regulations of the Authority;
- (c) The Authority has received one (1) original copy of this Agreement, fully completed and executed by Permittee;
- (d) The Authority has executed this Agreement, by its Executive Director of the Authority;
- (e) The Permittee has submitted to the Authority Permittee's designated Trade Dress for TNC Vehicles operating on its TNC Application;
- (f) The Permittee has obtained all permits, business licenses, and any other licenses or authorizations required by any federal, state or local governmental entity, authority, agency or department, and Permittee has provided a copy of same to the Authority; and

- (g) The Permittee has established and verified the Airport Geo-Fence in accordance with the requirements of this Permit.

4.2 Term. The term of this Agreement shall begin on the Commencement Date and shall expire at 11:59 p.m. on _____, 2021.

4.3 Renewal of Permit. This Permit may be renewed for additional periods of one (1) year each in the sole and absolute discretion of the Authority. In no event shall a Permit be renewed unless and until all fees (including the Monthly Payment) owed to the Authority by the Permittee have been paid in full. Upon renewal of this Permit, the Authority has the right to adjust the foregoing fees as mutually agreeable by the Authority and Permittee.

4.4 Modifications to Permit. The Authority will continuously evaluate the operations of Permittee at the Airport pursuant to this Permit. The Authority reserves the right to modify or amend the Permit, or any section thereof, in its sole and absolute discretion, with thirty (30) days' prior written notice to Permittee, prior to any modification taking effect.

SECTION 5. USE, CONDITIONS, RESTRICTIONS.

5.1 Limited Grant. The limited rights granted by this Permit do not establish or vest in Permittee any right to preferential use of Airport facilities. Permittee acknowledges and agrees that Permittee has no exclusive right to conduct its operations at the Airport, and the Authority, in its sole and absolute discretion, may arrange for or allow other TNCs to conduct similar operations at the Airport on the same terms and conditions as set forth herein.

5.2 Designated Drop-Off and Pick-Up Areas.

- (a) Permittee shall be responsible for informing TNC Drivers operating under this Permit about the Designated Areas (defined below) approved by the Authority where TNC Drivers may (i) wait for requests for transportation, or (ii) drop-off or pick-up Passengers. Permittee is responsible for ensuring that all TNC Drivers comply with the provisions of this Permit and all other applicable Rules and Regulations of the Authority, including but not limited to, use of the Designated Areas; provided however, that violations by a TNC Driver shall be exclusively governed by Section 27 of Exhibit A.
- (b) The term "Designated Areas" includes only those certain areas selected by the Authority where TNC Drivers may only (i) wait for requests for transportation by Passengers at the "TNC Holding Area" location, as set forth on Exhibit B, or (ii) pick-up Passengers who have requested transportation through the TNC's mobile application at the "TNC Stand Area" location, as also set forth on Exhibit B. Passengers will be dropped off at the Terminal's curbside near the Departure/Airline Ticketing entrance.
- (c) Should utilization of the Designated Areas by TNC Drivers create any security or operational issues in the sole opinion of the Authority, the Authority reserves the right to limit the number of TNC Vehicles accessing the Designated Areas, including without limitation, by limiting the maximum number of TNC Vehicles in the TNC Holding Area to the number of parking spaces in the Holding Area. Furthermore, the Authority reserves the right in its sole and absolute discretion to alter or change the Designated Areas from time to time, only after Authority provides Permittee advance written notice of the change such that Permittee has

reasonable time to change operations as necessary and inform TNC Drivers. In the event of an alteration or change to the Designated Areas, the Permittee is responsible for notifying each TNC Driver operating under this Permit of such alteration or change, and if requested, the Permittee shall provide the Authority with a copy of such notification.

- (d) All TNC Vehicles not actively loading or unloading Passengers in the TNC Stand Area shall be parked in the TNC Holding Area while awaiting a request from a Passenger for pick-up. No TNC Vehicle shall stage, wait or park in any other areas of the Airport other than the TNC Holding Area. No TNC Vehicle shall loop in excess around the terminal area or around any part of the Airport property while waiting for a pick-up. All TNC Drivers shall have a pre-arranged match prior to entering the TNC Stand Area for the purpose of dropping-off or picking-up a Passenger. Use of the TSA Stand Area shall be limited to a maximum of five (5) minutes at any given time. All TNC Drivers must remain with their vehicles while parked in any of the Designated Areas. TNC Drivers who operate in areas outside the Designated Areas or the Airport roadways necessary to access the Designated Areas, or who leave their TNC Vehicle unattended in any Designated Area, shall be subject to discipline, up to and including suspension or termination of their privileges at the Airport.
- (e) Permittee hereby accepts the Designated Areas in their present condition and “AS IS,” without representation or warranty of any kind, and subject to all applicable laws. The Authority shall have no obligation to alter, renovate, or otherwise change the Designated Areas. The Authority shall have no obligation to provide utility services, wireless internet access, or any other services to the Designated Areas.

5.3 Solicitation and Curbside “Hails” Prohibited. This Permit authorizes Permittee and TNC Drivers operating under this Permit to operate on the Airport for prearranged drop-offs and pick-ups only. Solicitation and curbside “hails” are not authorized or allowed by this Permit, and will be considered a violation of this Permit.

5.4 Tracking TNC Vehicles on Airport Roadways. The Authority reserves the right to utilize an alternative TNC Vehicle tracking mechanism or other similar protocol to be provided by a third party (the “Tracking Provider”) (for example, the American Association of Airport Executives’ App-Based Transportation Clearinghouse) to allow the Authority the ability to, among other things, track all TNC Vehicles operating at the Airport under this Permit and to reconcile and audit the Monthly Reports provided by Permittee. In such event, the Permittee agrees that it will reasonably cooperate and work with the Authority in good faith and will provide to the Authority and the Tracking Provider the required data and information necessary for the Authority to utilize the alternative TNC Vehicle tracking mechanism.

5.5 Use of TNC Application. The TNC Application shall be open and activated **at all times** while the TNC Driver is operating on Airport property.

5.6 Digital Decal. Permittee shall ensure that each TNC Driver will maintain, on his or her smartphone, a “digital decal” while using the TNC Application that will be used in lieu of a tangible Airport transponder. The digital decal will allow the Authority to confirm the following information for any TNC Driver or TNC Vehicle using the TNC Application while on Airport grounds at all times: (i) the name or logo of the Permittee; (ii) the name and a photograph of the TNC Driver; (iii) the make, model and license plate number of each TNC Vehicle associated with the TNC Driver, and the state issuing each such license plate; and (iv) all certificates of insurance required by this Permit or applicable law.

5.7 Waybills. All Passenger drop-offs and pick-ups at the Airport shall be documented by a waybill, which shall state the Passenger’s name, the location of the drop-off or pick-up, and the time the drop-

off or pick-up was scheduled. For Passenger drop-offs at the Airport, the waybill shall be prepared prior to entering Airport property. For Passenger pick-ups at the Airport, the waybill shall be prepared prior to exiting the Holding Area.

5.8 Airport Exit. After dropping-off Passenger at Terminal curbside or picking-up a Passenger in the TNC Stand Area, the TNC Driver must immediately exit the Airport or proceed to the TNC Hold Area.

5.9 Requests for Information. Upon request from Authority-Related Personnel for any information necessary to show a driver's compliance with this Permit (and in compliance with the non-discriminatory policies required by both parties under this Agreement), all TNC Drivers shall immediately comply with such request and provide such requested information, including but not limited to, proof of all required insurance, license and registration, prearranged waybill, digital decal, or confirmation that the TNC Application is activated while on Airport property.

5.10 Reports. The Permittee shall provide to the Authority, upon request by the Authority, records and other information necessary to investigate and resolve a complaint or respond to an incident as set forth in Virginia Code § 46.2-2099.53(B).

SECTION 6. TNC VEHICLES.

6.1 TNC Vehicle Requirements. Permittee shall ensure that each TNC Vehicle conforms to and complies with all vehicle requirements set forth in Virginia Code § 46.2-2099.50.

6.2 Trade Dress. Prior to operating at the Airport, Permittee shall provide the Authority with a photograph of Permittee's proposed Trade Dress, along with a description of the designated Trade Dress location, which location must be approved by the Authority and in accordance with the Code of Virginia. While operating at the Airport pursuant to this Permit, whether or not carrying a Passenger, every TNC Vehicle shall display Permittee's approved Trade Dress in the approved Trade Dress location.

6.3 TNC Vehicle Condition. Permittee shall ensure all TNC Vehicles are maintained in good and safe mechanical condition, clean and free of visible damage, and in full compliance with this Permit, all Rules and Regulations of the Authority, and the Code of Virginia. A violation of this Section shall be addressed in accordance with Section 27 of Exhibit A.

SECTION 7. PROHIBITED ACTIVITIES.

7.1 General Prohibited Activities. Without limiting any other provision herein, Permittee shall not, without the Authority's prior written consent:

(a) Cause or permit anything to be done, in or about the Designated Areas or the Airport, or bring or keep anything thereon, which would be reasonably likely to (i) increase, in any way, the rate of fire insurance on the Airport, (ii) create a nuisance, or (iii) obstruct or interfere with the right of others at the Airport or injure or annoy them;

(b) Use, or allow the Designated Areas to be used, for any improper, immoral, unlawful or reasonably objectionable purpose;

(c) Place any loads upon the floor, walls or ceiling which endanger the structure or obstruct the sidewalk, passageways, stairways or escalators, in front of, within or adjacent to the Designated Areas or the roadways; or

(d) Do, or permit to be done, anything, in any way, which would be reasonably likely to materially injure the reputation or image of the Authority or appearance of the Airport or violate the

Authority's Rules and Regulations.

7.2 Other Prohibited Activities. Without limiting the generality of other provisions of this Permit, the following activities are specifically prohibited by Permittee and TNC Drivers operating under this Permit, as applicable, while on Airport property:

- (a) Turning off or disabling the TNC Application when a TNC Vehicle is at the Airport;
- (b) Allowing the operation of a TNC Vehicle at the Airport by an unauthorized driver;
- (c) Transporting a Passenger in an unauthorized vehicle;
- (d) Picking-up or dropping-off Passengers or their baggage at any location other than the Designated Areas;
- (e) Leaving a TNC Vehicle unattended;
- (f) Failing to maintain the TNC Vehicle interior and exterior in an appropriately clean condition;
- (g) Littering at the Airport or in the Designated Areas;
- (h) Failing to provide information or providing false information to the Authority or Authority-Related Personnel upon request as set forth in Section 5 of this Permit;
- (i) Operating a TNC Vehicle on Airport property without the approved Trade Dress;
- (j) Soliciting Passengers at the Airport;
- (k) Re-circulating anywhere at the Airport, except directly en-route to the Holding Area;
- (l) Using or possessing any alcoholic beverage, narcotic, or controlled substance (unless pursuant to a valid prescription) while on Airport property or while carrying a Passenger;
- (m) Failing to operate a TNC Vehicle in a safe manner as required by the Commonwealth of Virginia Motor Vehicle Code, local laws, and the Authority's Rules and Regulations;
- (n) Failing to comply with posted speed limits and traffic control signs;
- (o) Using profane or vulgar language in the presence of any member of the public or Authority-Related Personnel;
- (p) Any soliciting or advertising whatsoever;
- (q) Soliciting of any activity prohibited by law, this Permit, or the Authority's Rules and Regulations;
- (r) Operating a TNC Vehicle which is not in a safe mechanical condition or which lacks mandatory safety equipment as required by the Commonwealth of Virginia Motor Vehicle Code;

IN WITNESS WHEREOF, the parties hereto have executed this Permit as of the day and year set forth below.

PERMITTEE:

Date Signed: _____

a Delaware limited liability company

Virginia SCC Registration No.: _____

By: _____ (SEAL)

Name: _____

Title: _____

ATTEST:

Name: _____

Title: _____

AUTHORITY:

**CHARLOTTESVILLE-ALBEMARLE AIRPORT
AUTHORITY**

a political subdivision of the Commonwealth of Virginia

Date Signed: _____

By: _____ (SEAL)

Name: _____

Title: _____

ATTEST:

Name: _____

Title: _____

EXHIBIT A
TERMS AND CONDITIONS

The following Terms and Conditions (the “Terms and Conditions”) are attached to and made a part of the Non-Exclusive Operating Agreement to Provide Transportation Network Company Services at Charlottesville-Albemarle Airport:

SECTION 1. DEFINITIONS AND CONSTRUCTION.

A. **Definitions.** The following terms, when used in this Permit shall, unless the context requires otherwise, have the respective meanings given below:

1. **Airport:** shall mean the land and premises located in Albemarle County, Commonwealth of Virginia, and lands contiguous thereto, which may be acquired from time to time by the Authority for Airport purposes, and which shall comprise the Charlottesville-Albemarle Airport. The term “Airport” shall also include the General Aviation Facility.
2. **Airport Geo-Fence:** an electronic perimeter of the Airport comprised of one or more polygons whose points are geographic coordinates as defined and verified by the Authority and under the Permittee’s management. TNC Vehicles located within this Airport Geo-Fence area shall not receive or accept requests by Passengers for transportation except while located within the TNC Holding Area. The Permittee shall keep records of each and every Trip that begins or ends within the Airport Geo-Fence, including: a) each and every Passenger drop-off on Airport property, and b) each and every Passenger pick-up on Airport property.
3. **Authority:** shall mean the Charlottesville-Albemarle Airport Authority, owner and operator of the Airport.
4. **Authority-Related Personnel:** shall mean the Authority’s Board, officers, officials, employees, agents, and representatives, including without limitation, the officers of the Public Safety Department and other authorized law-enforcement personnel.
5. **Designated Areas:** shall mean those certain areas selected by the Authority where TNC Drivers may (i) wait for requests for transportation by Passengers, as set forth on Exhibit B, or (ii) drop-off or pick-up Passengers, as also set forth on Exhibit B.
6. **Governmental Body:** shall mean any federal, state, city or other political subdivision thereof, or any other entity, authority, agency or department exercising the executive, legislative, judicial, taxing, regulatory or administrative powers or functions pertaining to government.
7. **Passenger:** any individual who hires or enters a TNC Vehicle operated by a TNC Driver providing TNC Services to or from the Airport pursuant to this Permit.
8. **Permit:** shall mean the Non-Exclusive Operating Agreement to Provide Transportation Network Company Services at Charlottesville-Albemarle Airport, authorizing Permittee to provide TNC Services at the Airport, together with all Exhibits attached thereto.
9. **Rules and Regulations:** all applicable provisions of the Rules and Regulations of Authority, and any new, modified or additional rules and regulations, which the

Authority now or hereafter enacts, and as may be amended from time to time. The term “Rules and Regulations” also includes all rules and regulations of any Governmental Body, including but not limited to, the Federal Aviation Administration (“FAA”) and the Transportation Security Administration (“TSA”).

10. TNC: shall mean a Transportation Network Company, which is an organization, whether a corporation, partnership, sole proprietor, or other form, operating under and in compliance with the Code of Virginia, that uses a TNC Application to connect Passengers with TNC Drivers using their personal vehicles to provide transportation to Passengers.
11. TNC Application: the mobile smartphone application or platform developed by Permittee that connects Passengers with TNC Drivers and TNC Vehicles. If requested by the Authority, Permittee will detail to the Authority the functionality of the TNC Application in order to assist the Authority in enforcing the Permit, including but not limited to, by demonstrating how the TNC Application is consistent with the Authority’s Rules and Regulations and the Terms and Conditions of this Permit.
12. TNC Driver: an individual approved by the Permittee to use a TNC Vehicle to transport Passengers whose rides are arranged through the TNC Application. Each TNC Driver shall be properly authorized and credentialed by the TNC and be authorized pursuant to the terms and conditions of this Permit to pick-up and drop-off Passengers at the Airport as an authorized TNC Driver of Permittee. For purposes of this Agreement, the term “TNC Driver” applies at all times that a TNC Driver is on Airport property by reason of the driver’s relationship with the Permittee, regardless of whether the TNC Vehicle is carrying a Passenger.
13. TNC Services: shall include the Permittee’s authorized operations under this Permit occurring whenever a TNC Driver is in a TNC Vehicle at the Airport or in the Designated Areas, and having: a) the TNC Application open and waiting for a match with a Passenger; b) a match accepted but not having picked up a Passenger; or c) a Passenger in the TNC Vehicle until the Passenger exits the TNC Vehicle. In all of these instances, the TNC Application shall be open when the TNC Vehicle enters Airport property and shall remain on throughout the referenced periods.
14. TNC Vehicle: a vehicle driven by a TNC Driver that is authorized both by the Permittee and pursuant to the terms and conditions of this Permit to pick-up and drop-off Passengers at the Airport.
15. Trade Dress: a removable and distinct logo, insignia, or emblem that is attached to or visible from the exterior of a TNC Vehicle during the performance of providing TNC Services and that complies with the Code of Virginia. A copy of the Trade Dress shall be provided to and approved by the Authority prior to Permittee commencing operations at the Airport.

B. Construction of Certain Terms. Except as otherwise expressly provided herein or unless the context otherwise requires, the following rules of construction shall apply:

1. The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

2. The terms defined in this Permit shall have the meanings assigned to them herein and include the plural as well as the singular.

C. Titles and Headings. The titles and headings of the sections are solely for convenience of reference, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

D. Interpretation. The language of this Permit shall be construed according to its fair meaning, and not strictly for or against either the Authority or Permittee. If any provision of this Permit is determined to be void by any court or competent jurisdiction, then such determination shall not affect any other provision of this Permit and all such other provisions shall remain in full force and effect.

E. Applicable Law. This Permit shall be construed according to the laws of the Commonwealth of Virginia.

SECTION 2. OBLIGATIONS OF PERMITTEE.

Permittee warrants and agrees that it will:

A. Conduct its operation hereunder in compliance with the highest standards of providing TNC Services and will furnish all necessary fixtures, equipment, supplies, materials, facilities, and personnel (including licensed personnel as necessary) in order to adequately provide such TNC Services in accordance with the terms and conditions of this Permit.

B. Furnish the TNC Services promptly, efficiently and adequately to meet all reasonable demands therefore on a fair, equal and non-discriminatory basis.

C. Be responsible for obtaining all permits, licenses and certificates required by any regulatory agency to conduct the TNC Services provided hereunder.

D. Conduct its operations in an orderly and proper manner so as not to unreasonably annoy, disturb or be offensive to others on or near the Airport. Permittee shall take all reasonable measures to (i) eliminate vibrations tending to damage any equipment, structures, buildings or portions of buildings on the Airport or adjacent to the Airport; and (ii) keep the sound level of its operations as low as reasonably possible, particularly during the hours of darkness.

E. Not allow any TNC Drivers or TNC Vehicles operating under this Permit to negatively impact or impede traffic flow in or out of Airport roadways and parking facilities, or to congregate on Airport access roadways. In the event that the Authority receives complaints from a nearby business or other establishment that TNC Drivers affiliated with Permittee are congregating at or near the establishment in a way that is causing harm or likely to cause harm to such establishment, Permittee shall work in good faith with the Authority to address such concerns.

F. Not allow TNC Vehicles to (i) stage, wait or park in any areas of the Airport other than in the TNC Holding Area, as set forth on Exhibit B, (ii) pick-up Passengers in any areas of the Airport other than in the TNC Stand Area or drop-off Passengers in any Airport area other than the front of the Terminal near the Departure/Ticketing entrance area, as also set forth on Exhibit B, nor (iii) allow any TNC Vehicle to circle in excess, drive, or loop around the Airport roadways while waiting for a Passenger pick-up, except directly en-route to the TNC Holding Area.

G. Not divert or cause to be diverted any business provided by tenants and non- transportation concessionaires on the Airport.

H. Upon receipt of any complaint or objection to the conduct, demeanor or appearance of a TNC

Driver operating under this Permit, or Permittee's employees, invitees or those doing business with the Permittee, the Permittee shall immediately take all reasonable steps necessary to remove or correct the cause of the complaint or objection. Permittee and TNC Drivers shall advise Passengers of the means and methods for contacting, reporting and resolving Passenger complaints.

I. Ensure that at all times all TNC Drivers conduct themselves in a professional manner and are courteous to the public, Passengers, other ground transportation providers, and Authority-Related Personnel. Threats of physical harm, fighting, gambling, possession of an unlicensed firearm or use of any weapons, public intoxication or the use or possession of illegal substances at the Airport are expressly prohibited.

J. Be responsible for the proper storage and removal from the Airport of all garbage, debris and other waste materials, either solid or liquid, arising out of its operation hereunder, and shall not use any facilities of the Authority for such purpose without the prior written consent of the Authority. No such garbage, debris or other waste materials shall be thrown, discharged or deposited, or permitted to be thrown, discharged or deposited upon Airport property. Permittee shall not cause or permit to occur upon any portion of the Airport any illegal waste, public or private nuisance, or other act or thing which disturbs the quiet enjoyment of any other tenant, licensee, invitee, or person using or occupying any portion of the Airport.

K. Not do or permit to be done anything which may interfere with free access and passage on and to the Airport.

L. Advise Passengers of the means and methods for contacting, reporting and retrieving lost property.

M. Not sanction or allow any individual who is not a TNC Driver and who is not driving a TNC Vehicle to pick-up or drop-off Passengers at the Airport. Permittee must take action against a TNC Driver who allows an unauthorized individual to use a TNC Vehicle under the account of the TNC Driver to provide TNC Services at the Airport.

N. Maintain, in accordance with generally accepted accounting practices, throughout the term of the Permit and for three (3) years thereafter, records and books of account, recording all Trips at the Airport. No more than annually, the Authority may inspect at a mutually agreed location records from Permittee necessary to demonstrate that Permittee has paid all Per Trip Fees required under Section 2 of this Permit. The intent and purpose of the provisions of this Section are such that Permittee shall keep and maintain records which will enable the Authority to audit, if so desired, the information that Permittee provides in the Monthly Reports required under Section 2 of this Permit detailing the number of Trips conducted by TNC Drivers on Airport property. Notwithstanding the foregoing, in the event the records provided by Permittee to the Authority for inspection pursuant to this Section are incomplete, incorrect, or otherwise insufficient to allow the Authority to properly audit the information contained in the Monthly Reports, the Authority shall have the right to inspect such records on a more frequent basis. Additional TNC recordkeeping and reporting requirements are set forth in Section 26 of these Terms and Conditions.

O. Permittee agrees to resolve failures of the TNC Vehicle tracking mechanism enabled by its Airport Geo-Fence in a prompt and efficient manner. Failure to resolve such TNC Vehicle tracking failures within Permittee's control, related to the Airport Geo-Fence within five (5) days may result in a suspension or termination of this Permit.

P. In accordance with Virginia Code § 46.2-2099.48(H), the Permittee shall provide to each TNC Driver operating under this Permit a credential, which shall be digitally displayed as part of the TNC Application, that includes the following information: (i) the name or logo of the Permittee; (ii) the name and a photograph of the TNC Driver; (iii) the make, model and license plate number of each TNC Vehicle associated with the TNC Driver and the state issuing such license plate. The TNC Driver shall carry the credential at all times during the operation of the TNC Vehicle and shall present the credential upon request to

the Authority or Authority-Related Personnel. All such requests shall be in compliance with the non-discriminatory obligations of each party under this Agreement.

Q. Any violation of paragraphs (A)-(P) of this Section that is the result of a TNC Driver's conduct shall be addressed in accordance with Section 27 of these Terms and Conditions.

SECTION 3. RIGHTS OF SELECTED PERMITTEE.

A. The Permittee shall provide TNC Services only in accordance with the terms and conditions of this Permit, and will not conduct any other type of business whatsoever on the Airport unless otherwise approved in writing by the Authority.

B. Permittee shall not allow any TNC Driver to solicit business or engage in any manner of solicitation of business, except as permitted under this Permit or as may be expressly permitted in writing by the Authority.

SECTION 4. INGRESS AND EGRESS.

A. The Permittee and TNC Drivers operating under this Permit shall have the right of ingress and egress between the Airport and the city streets or public ways used in common with others having similar rights.

B. The Authority may temporarily or permanently close any such roadway, and any other area at the Airport presently or hereafter used as such, so long as an equivalent means of ingress and egress remains available to the Permittee; provided, however, that this sentence shall not be construed to confer any greater right for Permittee to use any roadway than that accorded to the general public. The Permittee hereby releases and discharges the Authority, its successors and assigns of and from any and all claims, demands or causes of action arising or alleged to arise out of the closing of any street, roadway, or other area, whether on or off the Airport.

C. The Authority may interrupt or suspend Permittee's activities at the Airport and Permittee's use of the Airport if, in Authority's sole reasonable discretion, such interruption or termination is necessary in the interest of public safety. Permittee hereby waives any claim against Authority for damages or compensation should its activities be interrupted or suspended for any period in the interest of public safety.

D. The Permittee acknowledges and agrees that the Authority undertakes no obligation to provide snow or ice removal or to prevent flooding in any of the Designated Areas.

SECTION 5. COMPLIANCE WITH GOVERNMENTAL REQUIREMENTS.

A. General. Permittee shall comply with all federal, state and local laws and ordinances, governmental rules, regulations and orders applicable to the operation of the Airport or to the Permittee's operation at the Airport. Without limiting the generality of the foregoing, Permittee shall comply with the laws and regulations specified herein.

B. Federal Immigration Law. At all times during the term of this Permit, the Permittee shall not knowingly employ any unauthorized alien, or knowingly permit with a subcontractor who knowingly employs or contracts with an unauthorized alien to perform work under the Permit. For purposes of this Section, an "unauthorized alien" shall mean any alien who is neither lawfully admitted for permanent residence in the United States nor authorized to be employed by either (i) Title 8, Section 1324a of the United States Code or (ii) the U.S. Attorney General. If the Permittee violates this provision of this Permit, the Authority may terminate the Permit, and the Permittee shall be liable for any actual and consequential damages to the

Authority, including attorneys' fees and court costs, if any.

C. Non-Discrimination. Each party covenants and agrees that it, along with its contractors, subcontractors, representatives, successors in interest and assigns, will not: (i) discriminate against any person on the grounds of race, color, sex, creed or national origin, and will not exclude any person from the use or the benefits of the Airport or the TNC Services based on race, color, sex, creed or national origin; (ii) no person, on the grounds of race, color, sex, creed or national origin, shall be excluded from participation in, denied the benefit of, or otherwise subjected to discrimination in the furnishing of TNC Services on the Airport or in any Airport Authority request for TNC Driver credentials, vehicle inspection or audit; (iii) Permittee shall comply with all applicable requirements imposed by or pursuant to Department of Transportation ("DOT"), Code of Federal Regulations, Part 21, Title 49, Subtitle A, "Nondiscrimination in Federally-Assisted Programs" of the DOT- Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended; and (iv) Permittee shall comply with all applicable provisions of the Americans with Disabilities Act, as amended, with regard to its operations at the Airport.

D. Disability. Permittee shall not discriminate on the basis of handicap in providing TNC Services hereunder, or in the treatment of persons as required by the DOT Code of Federal Regulations, Part 27, Title 49, as may be amended, to the extent 49 C.F.R. Part 27 is applicable to Permittee.

E. Security Compliance. Permittee shall comply with and enforce, as is currently or may be required, all provisions of Transportation Security Administration regulations, amendments and additions thereto, pertaining to Airport security which affect its operation on the Airport. Permittee shall be responsible to ensure that unauthorized persons do not enter any Airport operations areas which have been or may be designated by the Authority in its Airport Security Program in compliance with federal aviation regulations. Permittee will also ensure TNC Vehicles are not left unattended at the curbside or in any of the Designated Areas. Violations of this Section by a TNC Driver shall be addressed in accordance with Section 27 of these Terms and Conditions.

F. OSHA Standards. Permittee and TNC Drivers shall comply with all applicable rules and regulations of the Occupational Safety and Health Administration ("OSHA").

G. Virginia Code Provisions Regulating Transportation Network Companies. Permittee shall at all times comply with all of the provisions of Virginia Code § 46.2-2099.45, *et seq.*, as the same may be amended from time to time.

SECTION 6. RULES AND REGULATIONS OF AUTHORITY.

A. The Permittee covenants and agrees to compel TNC Drivers operating under this Permit, and Permittee's officers, employees, guests, invitees, and those doing business with it, to observe and obey all applicable laws as well as the Rules and Regulations of the Authority now in effect or hereinafter promulgated governing the conduct and operation of the Airport; provided that Permittee's obligations with respect to violations by TNC Drivers are governed exclusively by Section 27 of these Terms and Conditions. The Authority agrees that, except in cases of emergency, it will give notice to the Permittee of all such new or amended Rules or Regulations adopted by it at least ten (10) days before the Permittee shall be required to comply therewith. Copies of the Rules and Regulations are available at the offices of the Authority.

SECTION 7. FEDERAL AIRPORT AID.

A. The Authority has applied for and received, and may in the future apply for and receive, grants of money for the benefit of the Airport from the Administrator of the Federal Aviation Administration ("FAA") pursuant to applicable federal law, and from the Department of Aviation of the Commonwealth of Virginia. In connection therewith, the Authority has undertaken or may undertake certain obligations respecting its operation of the Airport and the activities of its lessees, permittees and contractors thereon. The

Permittee covenants and agrees that, if the Administrator of the FAA or any other governmental entity having jurisdiction over the enforcement of the obligations of the Authority resulting from such grant or grants shall make any orders, recommendations or suggestions to the Authority or the Permittee respecting the performance of the Permittee, the Permittee will promptly comply therewith.

SECTION 8. INSPECTION OF VEHICLES.

A. Each TNC Vehicle shall have a valid state inspection decal in accordance with the Code of Virginia, and the Authority shall have the authority to inspect the decal to verify that a vehicle is in compliance with Virginia Code § 46.2-2099.50 regarding requirements for TNC Vehicles.

SECTION 9. LOCAL MANAGEMENT.

A. Permittee shall continuously have in charge a competent and experienced manager who shall be responsible for the day-to-day operation of Permittee under this Permit. The Permittee shall at all times provide Authority in writing the name, e-mail address, mailing address and telephone number (for emergency contact) of each manager.

B. Permittee shall ensure that TNC Vehicles authorized to operate on its TNC Application are operated in accordance with the terms and conditions of this Permit and in accordance with the directions and operating procedures issued by the Authority relative to the Designated Areas. Any violations by TNC Drivers shall be addressed in accordance with Section 27 of these Terms and Conditions.

C. Permittee shall promptly respond to all inquiries from the Authority and Authority-Related Personnel. Permittee expressly understands that the terms of this Permit in no way establish a precedent or any limitation whatsoever on the discretion of the Authority to add to or subtract from or otherwise alter Permit requirements. Permittee shall cooperate with the Authority during the course of the Permit term to determine whether and how a renewal of this Permit, if one should be granted by the Authority in its sole discretion, may or may not include requirements relating to additional driver information and/or tracking of TNC Vehicles.

SECTION 10. INDEMNIFICATION; WAIVER OF CLAIMS.

A. Indemnification. The Permittee shall indemnify, defend and hold the Authority and the Authority-Related Personnel completely harmless from any and all liabilities, losses, suits, actions, claims, judgments, fines or demand of any character, including but not limited to, court costs and attorneys' fees brought because of any injuries or death to persons or damage received or sustained by a third party in consequence of: (i) the operations by the Permittee, its successors, subcontractors, employees, or agents related to this Permit, (ii) any negligent acts or omissions or misconduct of Permittee related to this Permit, (iii) any claims for or amounts recovered arising out of the infringement of a third party's intellectual property rights by the Permittee's trademarks, service marks, trade names, logos, slogans, and other identifying symbols and indicia of Permittee (collectively, "Marks"), but only if such Marks have been used by the Authority in a manner approved by Permittee, (iv) any default by Permittee in the observance or performance of any of the terms, conditions or covenants of this Permit, or (v) any other law, ordinance, order or decree related to this Permit, unless resulting solely from the gross negligence or willful misconduct of the Authority. The foregoing indemnity provisions shall in no way be deemed released, waived or modified in any respect by reason of any insurance or surety provided by the Permittee under this Permit. Notwithstanding the foregoing, Permittee shall have no obligation under this Section for claims solely arising out of any negligent act or omission of the Authority or its officers, commissioners, agents, and employees. The foregoing indemnification obligation is contingent upon the Authority providing Permittee with (i) sole control over the defense and settlement of each such claim (provided that Permittee will not settle or compromise any claim without written consent of the Authority, which consent shall not be unreasonably withheld, conditioned or delayed), and (ii) reasonable cooperation, at Permittee's sole expense, in the defense and settlement of a claim.

B. Waiver of Claims. Permittee covenants and agrees that the Authority shall not at any time to any extent whatsoever be liable, responsible, or in any way accountable for, and Permittee hereby waives and releases any claim (including any claim for contractual or implied indemnity) against the Authority, for any and all losses, liabilities, judgments, suits, claims, damages, costs and expenses (including reasonable attorneys' fees, investigation costs, remediation costs and court costs), of any kind or nature, which (a) at any time after the date of the Permit may be suffered or sustained by Permittee or any TNC Driver arising out of Permittee's operations, or (b) are caused in whole or in part by any act or omission (whether negligent, non-negligent or otherwise) of Permittee or any TNC Driver, except to the extent caused solely by the negligence or willful misconduct of the Authority.

C. Notice. Without limiting the foregoing indemnity and waiver, each party hereto shall give to the other prompt and timely written notice of any liabilities, losses, suits, actions, claims, judgments, fines or demands of any character, coming to its knowledge which in any way, directly or indirectly, contingently or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest.

D. Permittee's Assumption of Risk. Permittee covenants that it voluntarily assumes any and all risk of loss, damage, or injury to the person or property of Permittee, its directors, officers, employees, representatives and agents which may occur in, on, or about the Airport or in any of the Designated Areas at any time and in any manner, except such loss, injury, or damage as may be caused solely by the gross negligence or willful misconduct of the Authority.

SECTION 11. INSURANCE.

A. Required Insurance. At all times during the operation of a TNC Vehicle on Airport property, the Permittee shall, at a minimum, keep in force such insurance policies as required by Virginia Code § 46.2-2099.52, as the same may be amended from time to time. The Permittee may in its discretion maintain additional insurance coverage in amounts above that required by Virginia Code § 46.2-2099.52.

B. Form of Policies.

1. On each policy of insurance, Permittee shall name the Authority and the Airport, and their respective commissioners, agents, and employees, as additional insured parties.

2. All policies of insurance shall provide that the insurance company shall provide at least thirty (30) days' prior written notice to the Authority of cancellation or a reduction in coverage or limits.

C. Proof of Insurance. The TNC Driver shall carry at all times while operating a TNC Vehicle proof of coverage under each in-force TNC insurance policy, which may be displayed as part of the TNC Application, and each in-force automobile insurance policy covering the TNC Vehicle. The TNC Driver shall present such proof of insurance upon request to the Authority, or to any person involved in an accident that occurs while transporting a Passenger.

D. Compliance with Future Code of Virginia Amendments. Notwithstanding anything herein to the contrary, the Permittee's insurance shall at all times comply with any future amendments to the Code of Virginia governing TNC insurance requirements.

SECTION 12. SIGNS.

A. Signs. Permittee shall not install, erect, affix, paint, display or place or permit the installation, erection, affixation, painting, display or placement of any sign, lettering, or other advertising device or media in, on, or about the Airport, the terminals, or any portion thereof (including the Designated

Areas), without the prior written consent of the Authority.

B. No Advertising or Promotions. No TNC Vehicle shall post or display, on the exterior thereof, any signage or other displays except for Permittee's name and/or logo; provided, however, that *de minimis* displays (such as bumper stickers), which in the reasonable opinion of the Authority, do not contain offensive messages, will not violate this prohibition.

SECTION 13. EXCLUSIVE RIGHTS NOT GRANTED.

A. It is specifically understood and agreed that nothing herein contained shall be construed as granting or authorizing the granting of an exclusive right within the meaning of Section 308 of the Federal Aviation Act, as amended, or any other federal criteria.

SECTION 14. SUBORDINATION OF PERMIT.

A. This Permit shall be subordinate to the provisions of any existing or future agreement between the Authority and the Commonwealth of Virginia or the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the granting of any funds for the development of the Airport. In the event that any future conditions materially impair the Permittee's ability to provide TNC Services in accordance with this Permit, the Permittee shall have the option to terminate the Permit on at least thirty (30) days' prior written notice to the Authority.

SECTION 15. ASSIGNMENT OF PERMIT.

A. Permittee shall not at any time sell, assign or transfer in any manner whatsoever this Permit, nor any part thereof, for any purposes without the prior written consent of the Authority, which consent may be withheld in the Authority's sole discretion. Notwithstanding the foregoing, Permittee may assign this Permit in its entirety without the prior written consent of the Authority in connection with a merger, acquisition, corporate reorganization, or sale of all or substantially all of the Permittee's assets; provided, however, that in the event of such assignment by Permittee, the Authority reserves the right in its sole discretion to require the surviving entity to provide to the Authority a security deposit in the amount of Ten Thousand and 00/100 Dollars (\$10,000.00). No approved assignment or sublease shall in any way affect or diminish Permittee's obligation to perform all of the terms, covenants, conditions and provisions binding upon Permittee and contained in this Permit. Any transfer in violation of this provision shall be void. The Authority's acceptance of any fees or charges from Permittee (including the Monthly Payment) pursuant to this Permit shall not constitute a waiver of the Authority's right to terminate this Permit. Any attempt by Permittee to transfer this Permit in violation of this Section without the prior express written consent of the Authority shall immediately render this Permit void.

SECTION 16. CONDEMNATION.

A. In the event of the acquisition by condemnation or the exercise of the power of eminent domain (which for these purposes shall not be deemed to include the Authority) of any interest in all or part of the Airport, the Permittee shall not institute any action or proceeding or assert any claim against the Authority for compensation or consideration of any nature whatsoever, and any provision herein contained contrary to the provisions of this Section shall have no force or effect. All compensation awarded or paid upon such a total or partial taking of Airport premises shall belong to and be the property of the Authority without any participation by the Permittee. Nothing contained herein shall be construed to preclude the Permittee from recovering directly from the condemning authority the value of any claim as may exist for loss of business, or damage to, or cost of removal of, or for the value of stock, trade fixtures, furniture and other personal property belonging to the Permittee; provided, however, that no such claim shall diminish or otherwise adversely affect the Authority's award or the award of the Trustee of any Airport Revenue Bonds, whether outstanding now or in the future.

SECTION 17. DEFAULT.

A. Default by Permittee. The occurrence of any of the following shall constitute an event of default (each, an "Event of Default") by Permittee:

1. Permittee shall fail, duly and punctually, to pay the Monthly Payment for three (3) consecutive payment periods (or to submit the Monthly Report), or to make any other payment required hereunder, when due to the Authority, and such failure shall continue beyond any applicable notice and cure period;
2. The Permittee fails to maintain the insurance required herein;
3. The Permittee fails to observe or perform any other covenant or agreement contained in the Permit, and such failure continues for a period of five (5) calendar days after written notice by the Authority of such failure requiring the same to be remedied, provided that if such observance or performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied within such 5- day period, but can be done, taken or remedied within a reasonable period of time, no Event of Default shall be deemed to have occurred or to exist if the Permittee shall commence work, action or other remedy within such 5-day period and shall diligently and continuously prosecute the same to completion;
4. Any warranty, representation, certification, financial statement or other information made or furnished by Permittee at any time is determined by the Authority, in its sole judgment, to be false or misleading in any material respect; If Permittee, or any successor or assignee, while in possession, shall file a petition in bankruptcy or insolvency or for reorganization under any bankruptcy act, or shall voluntarily take advantage of any such act by answer or otherwise, or shall make an assignment for the benefit of creditors;
5. If involuntary proceedings under any bankruptcy law or insolvency act shall be instituted against Permittee, or if a receiver or trustee shall be appointed of all or substantially all of the property of Permittee and such proceedings shall not be dismissed or the receivership or trusteeship vacated within thirty (30) days after the institution or appointment;
6. If Permittee shall vacate or abandon the provision of TNC Services at the Airport for a period of seven (7) consecutive days;
7. If this Permit or any controlling interest in Permittee shall be transferred to or shall pass to or devolve on any other party, except in the manner permitted herein; or
8. If Permittee fails to maintain its Virginia TNC certification status.

B. Effect of Permittee's Default. Upon the occurrence of an Event of Default by Permittee, in addition to any other remedies available at law or in equity, the Authority shall have the following rights, options, and remedies which shall be construed and held to be cumulative, and no one of them shall be exclusive of the other:

1. The Authority may elect, in its sole discretion, to require Permittee to provide to the Authority a security deposit in the amount of Ten Thousand and 00/100 Dollars (\$10,000.00) in the event that Permittee fails to make timely payments

for three (3) payment periods in any twelve (12) month period.

2. The Authority shall have the right, in its sole discretion, to cancel and terminate this Permit immediately by giving to Permittee written notice of the cancellation and termination.
3. The Authority, in its sole discretion, may suspend this Permit for a period of time deemed appropriate by the Authority, when considering the facts, circumstances and seriousness of the Event of Default.
4. In the event the Authority revokes or suspends this Permit, Permittee shall promptly effect this prohibition through its TNC Application by removing the Airport property as a location available for pick-ups. Permittee shall also inform TNC Drivers operating under this Permit of the prohibition and advise the TNC Drivers in writing not to drop-off or pick-up any Passengers at the Airport. A copy of such written notification shall be provided to the Authority.
5. The rights of termination or suspension described above shall be in addition to any rights and remedies that the Authority shall have pursuant to this Permit or at law or in equity, and the exercise by the Authority of any right of termination or suspension shall be without prejudice to any other such rights or remedies.

C. Default by Authority. The Permittee's sole remedy against the Authority, in the event that the Authority fails to comply with the provisions of this Permit and such failure is not cured within thirty (30) days of the Authority's receipt of written notice from the Permittee specifying such failure, shall be the right to terminate this Permit upon at least thirty (30) days' prior written notice to the Authority. In the event of such termination, the Permittee will be responsible for all Monthly Payments due the Authority up to and including the date of termination.

D. Other Termination. If, for any reason, all scheduled certificate airline service at the Airport is permanently suspended, whether such suspension be due to act of God, the public enemy or other circumstances, and such suspension lasts for fourteen (14) consecutive days, Permittee shall have the right to terminate the Permit upon at least thirty (30) days' prior written notice to the Authority.

SECTION 18. INSTRUCTION.

A. Prior to engaging in operations under this Permit, Permittee shall provide each TNC Driver written instructions about the rules for Airport operations, including but not limited to, the location of the Designated Areas, any Rules and Regulations of the Authority governing TNC operations, and any other Airport-specific rules that the Authority requires to be conveyed to Permittee's TNC Drivers. Permittee shall make its TNC Driver instructions available to the Authority upon request. Permittee agrees to modify or supplement its TNC Driver instructions as necessary to ensure compliance with the Permit and the Rules and Regulations of the Authority.

SECTION 19. REPRESENTATIONS AND WARRANTIES OF PERMITTEE.

The Permittee represents and warrants to the Authority that:

A. It is duly organized and validly existing under the laws of its jurisdiction, incorporation or establishment;

B. It has the power and the authority to enter into and perform its obligations under this Permit and to pay the Fees in accordance herewith;

C. This Permit has been duly authorized, executed and delivered by it, and, assuming the due authorization, execution and delivery hereof by the other parties hereto, constitutes a legal, valid and binding obligation of Permittee, enforceable against it in accordance with the terms hereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditor's rights generally, and subject, as to enforceability, to general principles of equity regardless of whether enforcement is sought in a proceeding in equity or at law;

D. Permittee's execution and delivery of this Permit and the performance of its obligations hereunder do not and will not constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance, on any of its property under its charter or bylaws (or equivalent organizational documents), or any other agreement, instrument, law, ordinance, regulation, judgment, injunction or order applicable to it or any of its property;

E. All consents, authorizations and approvals requisite for its execution, delivery and performance of this Permit have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required for such execution, delivery or performance; and

F. There is no proceeding pending or threatened against Permittees at law or in equity, or before any governmental instrumentality or in any arbitration, which would materially impair its ability to perform its obligations under this Permit, and there is no such proceeding pending against it which purports or is likely to affect the legality, validity or enforceability of this Permit.

SECTION 20. FORCE MAJEURE.

A. Neither party hereto shall be liable to the other for any failure, delay or interruption in the performance of any of the terms, covenants or conditions of this Permit due to causes beyond the control of that party, including but not limited to, strikes, boycotts, labor disputes, shortages of materials, acts of God, acts of the public enemy, acts of superior governmental authority, weather conditions, floods riots, rebellion, sabotage or other circumstances for which such party is not responsible or which are not in its power to control.

SECTION 21. PERMITTEE'S DEALINGS WITH THE AUTHORITY.

A. Whenever in this Permit the Permittee is required or permitted to obtain the approval of, consult with, give notice to or otherwise deal with the Authority, the Permittee shall deal with the Authority's authorized representative, and, unless or until the Authority shall give Permittee written notice to the contrary, the Authority's authorized representative shall be its Executive Director.

SECTION 22. INDEPENDENT CONTRACTOR.

A. It is understood and agreed that nothing herein is intended or should be construed as in any way creating or establishing the relationship of co-partners between the parties hereto or of creating a joint venture, or as establishing Permittee as the agent, representative, or employee of the Authority for any purpose or in any manner whatsoever.

B. Permittee is to be, and shall remain, at all times, an independent contractor with respect to all services (including the TNC Services) performed under this Permit.

SECTION 23. NO WAIVERS.

A. Every provision herein imposing an obligation upon the Permittee is a material inducement and consideration for the execution of this Permit. No waiver by the Authority of any of the terms, covenants

or conditions of this Permit, or noncompliance therewith, shall be deemed as a waiver at any time thereafter of the same or any other term, covenant or condition herein contained, nor of the strict and prompt performance thereof. No delay, failure or omission of the Authority to exercise any right, power, privilege or option arising from any default shall impair any such right, power, privilege or option, nor be construed as a waiver of any such default or acquiescence therein. No notice by the Authority shall be required to restore or revive time as being of the essence hereof after waiver by the Authority of default in one or more instances.

SECTION 24. PERMIT DISPUTES.

A. Dispute Resolution.

1. Permittee and any TNC Driver penalized under Section 27 must submit all claims relating to the authorization to operate at the Airport, in writing, to the Executive Director of the Authority within ten (10) days of the discovery of the occurrence allegedly giving rise to such claim. Any claim not timely submitted to the Executive Director is deemed to be waived.
2. The Executive Director shall respond to such written claim within fifteen (15) days of the receipt of the claim by either: (i) making a written decision with respect to the claim, or (ii) making a written request for additional information. If additional information requested, Permittee shall provide all requested additional information within seven (7) days of the date of the Executive Director's request, or the claim is waived. Thereafter, the Executive Director shall make a written determination with respect to the claim within fifteen (15) days after receipt of the additional information. In either case, the Executive Director's written determination shall be final unless within thirty (30) days from the date of the Executive Director's written determination, Permittee or TNC Driver requests, in writing, an appeal to the Authority's Board (the "Board"), stating specifically all grounds of appeal. No written decision denying a claim or addressing issues related to a claim shall be considered a denial unless the written decision is signed by the Authority's Executive Director.
3. The Board and Permittee shall select a mutually agreeable date for a hearing of the appeal, which shall be ninety (90) days after the Board's receipt of the written appeal unless otherwise agreed by the Board and Permittee. At such hearing, Permittee or TNC Driver shall be afforded such opportunity to be heard and to offer relevant evidence in support of its appeal. Relevance shall be determined by the Board in its sole discretion. The Board's decision of the appeal shall be final.
4. Permittee shall diligently continue performance of this Permit, including as may be directed by the Executive Director or the Board, regardless of whether such dispute is pending or on appeal, and regardless of the outcome of such dispute or appeal.

B. Exclusive Jurisdiction and Venue: Service of Process. Permittee agrees that all actions or proceedings arising out of this Permit shall be litigated exclusively in the Circuit Court of the County of Albemarle, Virginia, and Permittee hereby consents to the exclusive jurisdiction and venue of the aforesaid court. Permittee consents and agrees that service of process upon Permittee in any court action or proceeding shall be made by certified mail, return receipt requested, directed to the Permittee at the address given by Permittee on Page 8 of this Permit, and service so made shall be deemed completed two (2) days after the same shall have been mailed as aforesaid.

SECTION 25. VIRGINIA FREEDOM OF INFORMATION ACT.

- A.** Permittee recognizes that books and records regarding its operations under this Permit may

be subject to disclosure under the Virginia Freedom of Information Act, Virginia Code § 2.2-3700, *et seq.* (“FOIA”). The Authority will disclose such records in accordance with FOIA and the Code of Virginia provisions regulating TNCs. The Authority understands that Permittee may contend that certain information that Permittee submits to the Authority, including but not limited to the TNC Driver identification information and the TNC Vehicle license plate information (collectively, “Confidential Information”) is a trade secret not subject to this disclosure. If Permittee seeks to protect trade secrets or proprietary information, then it shall be the sole responsibility of Permittee to identify such information following the procedure referenced in Virginia Code §2.2-4342(F). Permittee’s failure to undertake steps necessary for the protection of Confidential Information shall be at its sole risk. If the Authority receives a third party request for the Permittee’s Confidential Information under the FOIA, the Authority will promptly notify Permittee of such request so that Permittee may seek court intervention concerning the potential disclosure of such Confidential Information. The Authority will comply with the applicable legal disclosure requirements that are required by applicable law and/or court order.

B. Permittee expressly waives all causes of action for damages and recourse whatsoever against the Authority and its Board, officers, officials, directors, employees, and agents for the Authority’s disclosure of records or other materials, including but not limited to, Confidential Information submitted by Permittee to the Authority, when the Permittee has been provided with notice and the opportunity to intervene as set forth above herein.

SECTION 26. RECORDKEEPING AND REPORTING REQUIREMENTS.

A. Permittee shall comply with the recordkeeping and reporting requirements set forth in Virginia Code §§ 46.2-2099.48(I)-(J) and 46.2-2099.53 and the Authority shall have all rights conferred under those sections.

SECTION 27. VIOLATIONS BY TNC DRIVERS.

A. Permittee and TNC Drivers must abide by all policies and rules contained herein, including without limitation, all of the terms and conditions of this Permit and the Rules and Regulations of the Authority. Permittee shall be notified of TNC Drivers affiliated with Permittee who have been warned but continue to violate this Permit, or the Authority’s Rules and Regulations, including but not limited to, parking or traffic violations. Permittee agrees to block any such TNC Driver from accepting trip requests through the TNC Application from a Passenger seeking a pick-up at the Airport for a period of up to six months from the date of the third infraction that occurs during the term of this Permit. Each additional infraction will result in another suspension of up to six months or permanent loss of airport privileges at the discretion of the Authority. The Authority reserves the right to immediately suspend the operating privileges of any TNC Driver accused of committing any crime, whether felony or misdemeanor, while on Airport property, while transporting a Passenger for drop-off at the Airport or while transporting a Passenger after pick-up at the Airport, and, upon reasonable notice, Permittee agrees to immediately block any suspended TNC Driver from accepting trip requests through the TNC Application from a Passenger seeking a pick-up at the Airport. TNC Drivers found operating during any suspension period will be subject to legal action. A TNC Driver may dispute any allegation or proposed penalty under this Section in accordance with Section 24 of these Terms and Conditions.

SECTION 28. MISCELLANEOUS.

A. Entire Agreement. This Permit constitutes the entire agreement of the parties with respect to the subject matter hereof, and may not be contradicted by evidence of any prior or contemporaneous written or oral agreements or understandings.

B. No-Third Party Beneficiaries. There are no third-party beneficiaries to this Permit.

C. Survival of Indemnities. The expiration or earlier termination of this Permit shall not affect

the right of either party to enforce any and all indemnities and representations and warranties given or made to the other party under this Permit, nor shall it affect any provision of this Permit that expressly states it shall survive termination hereof. Each party hereto specifically acknowledges and agrees that, with respect to each of the indemnities contained in this Permit, the indemnitor has an immediate and independent obligation to defend the indemnitees from any claim which actually or potentially falls within the indemnity provision, even if such allegation is or may be groundless, fraudulent or false, which obligation arises at the time such claim is tendered to the indemnitor by the indemnitee.

D. Limitation on Damages. Notwithstanding anything to the contrary herein, in no event will the Authority be liable to Permittee or any TNC Driver for any consequential, incidental, or special damages, or lost revenues or lost profits.

E. Counterparts. This Permit may be executed in any number of counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute one and the same instrument.

EXHIBIT B

OVERVIEW OF CHO AIRPORT



EXHIBIT B - Continued

DESIGNATED "TNC HOLD AREA", "TNC STAND AREA", and DROP-OFF AREA



RESOLUTION NO. 2020-3
EXECUTIVE DIRECTOR AUTHORIZATION TO ADMINISTER THE
TRANSPORTATION NETWORK AGREEMENTS WITH UBER AND LYFT

WHEREAS, the Charlottesville Albemarle Airport Authority (Authority) amended its Rules and Regulations on December 12, 2018 to allow for the operations of Transportation Network Companies on Authority properties;

WHEREAS, staff has worked with legal counsel to develop a Transportation Network Company Agreement (TNC Agreement), and that TNC Agreement has been negotiated with two major TNCs, Uber and Lyft; and

BE IT RESOLVED by the governing Board of the Charlottesville-Albemarle Airport Authority that the Executive Director is hereby designated as the Board's agent for administration of said TNC Agreement, including, without limitation: making immaterial changes to the agreement; executing the agreements on behalf of the Authority; giving of notices and approvals required of the Authority, and exercising and enforcing such other rights as may be authorized or reserved to the Authority within the TNC Agreement.

ADOPTED this 30th day of January 2020.

Vote:

Aye: _____

No: _____

Certified:

By: _____

Melinda Crawford, Secretary



January 2020

1. Executive Director's Update for the following items will be provided:
 - a. Personnel Update
 - b. Construction Update
 - i. Air Carrier Apron Expansion Project
 - ii. Expansion of Economy Surface Parking Lot Project & Hangar Parking Lot Improvements
 - iii. ARFF Breakroom and Training Room Project – Environmental issue
 - iv. MALSR Update
 - v. Passenger Shelters
 - vi. Terminal Area Masterplan
 - c. Personnel Policy Revision
 - d. Upcoming Request for Proposals – Taxi, Engineering, Banking
 - e. Authority Smoking Policy
 - f. Marketing & Air Service Update
 - g. Staff's Snow Removal Efforts
 - h. Part 139 FAA Annual Certification Inspection