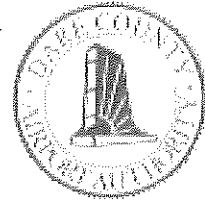


DARE COUNTY AIRPORT AUTHORITY



Dare County Regional Airport

P.O. Box 429 ~ 410 Airport Road
Manteo, NC 27954
(252) 475-5570 ~ Fax (252) 473-1196

**DARE COUNTY AIRPORT AUTHORITY
MINUTES of the
April 24, 2019 Meeting**

Vice Chair Charlie Davidson called the April 24, 2019 meeting of the Dare County Airport Authority to order at approximately 6:00 pm and led in the Pledge of Allegiance.

Members Present: Charlie Davidson, Jack Shea, Wally Overman, Joe Blakaitis, Fred Newberry

Members Absent: David Twiddy, George Henderson, George Wood, William Pope

Also Attending: Robert Hobbs, Hornthal, Riley, Ellis & Maland, John Massey, Talbert & Bright, David Daniels, Airport Director; Marge Stauffer, Airport Finance Officer and Crystal Bateman, Clerk to the Board

Public Comments: No Comments

Clerk Appointment to DCAA: (See Attached)

Airport Attorney Robert Hobbs presented a Resolution to appoint a new clerk to the board due to Crystal Bateman's pending upcoming retirement. This will be effective immediately.

MOTION: Wally Overman motioned to adopt the resolution to appoint Margaret Lynn Stauffer as the Clerk to the Dare County Airport Authority Board of Directors.
SECOND: Jack Shea
DISCUSSION: None
OPPOSED: None
OUTCOME: Carried

Capital Project Ordinance: (See attached)

Director David Daniels presented the Capital Project Ordinance for the already approved APRON Rehabilitation work order with Talbert & Bright. Approved Work Order \$71,281, 10% local funds of \$7,128

MOTION: Jack Shea motioned to approve the Capital Project Ordinance for the APRON Rehabilitation work.
SECOND: Wally Overman
DISCUSSION: None
OPPOSED: None
OUTCOME: Carried

Proposed Temporary Tower: (See attached)

Safety Committee Chair Charlie Davidson stated that the committee has been working closely with flight standard district office since last fall on the safety issues in and around the airport specifically the summer months. The FSDO has strongly suggested that the airport implement a control tower for the busy months in the summer. The committee has submitted a proposal from AirBoss, Inc. for the sum of \$107,000.

Airport Attorney Robert Hobbs prepared a contract agreement between Dare County Airport Authority and AirBoss Inc. for Temporary Air Traffic Control Tower services and Jenna Scarborough for the housing rental for three months. (See attached)

- MOTION:** Jack Shea motioned to approve:
- (1) The Service Contract with AirBoss, Inc. and rental lease agreement with Jenna L. Scarborough,
 - (2) To authorize the Airport Chair, Vice Chair, Director and Airport Attorney to make non-substantive revisions to the service contract and lease agreement to be finalized,
 - (3) To authorize the Airport Chair, Vice Chair, Director and Airport Attorney to sign the contract and agreements to be executed.
- SECOND:** Joe Blakaitis
- DISCUSSION:** None
- OPPOSED:** None
- OUTCOME:** Carried

Discussion/Question:

Jack Shea questioned if the control tower would be on a different frequency or not. Vice Chair Charlie Davidson confirmed that AirBoss, Inc. would request from the FCC and FAA a separate frequency.

Fred Newberry asked if there would be a NOTAM published and if the tower would operate like a normal control tower recording the daily radio activity? Vice Chair Charlie Davidson commented that there would be a NOTAM published by the airport and airport staff will be monitoring both radios for any aircraft not informed.

Director Daniels stated that our radios do not have the capability of recording however, we can look into other devises if needed.

Wally Overman asked if the authority could have process updates monthly or attend the board meetings to address any safety concerns or issues.

Budget Amendment #2019-02: (See attached)

- The budget amendment is to cover to the expenses for the Temporary Air Traffic Control tower.

<u>EXPENDITURES:</u>		<u>INCREASE</u>	<u>DECREASE</u>
Contract Services	944785-510700	\$120,000.00	
Contingency	944785-550000		\$120,000.00

MOTION: Jack Shea motion to approve the Budget Amendment #2019-02 to move \$120,000.00 from the contingency line item to increase the contracted services line. This will accommodate the expenses for the temporary air traffic control tower services and housing from May 20, 2019 to September 2019.

SECOND: Wally Overman

DISCUSSION: None

OPPOSED: None

OUTCOME: Carried

Engineer's Report: (See Attached)

- Runway 17 land available:

Engineer John Massey confirmed that the 8.35 acres of land for sale does have a portion located within the Runway 17 approach. It would be beneficial for the Airport to acquire the property as it will improve the safety for pilots landing on the Runway 17.

The Airport Authority asked Talbert & Bright and the Airport Director to check with NCDOA and see if any non-primary entitlement grant funds could be use. There is about 2 and half years of non-primary entitlement that we could possible use for the purchase.

Director David Daniels will inform the sellers that the Airport Authority is interested in the land and moving forward with the process of making an offer.

Attorney's Report: No Report

Chair Report: No Report

Director's Report:

- Director Daniels reminded the members of the safety meetings on May 1, 2019, held at the airport main terminal and lunch will be provided. The local vendors and commercial operators will be held at 9 a.m. then the general public and parasailer operations will be at 1:30 p.m.
- May 11th Director Daniels meet with Ron McCollum on the following:
 - Reviewed remaining mandatory items needed from us
 - Possible available programs and future projects
 - James Fuller will be the new appointed project manager
- Announcement that Crystal Bateman will be retiring the end of this May. She has been employed with the airport for almost 36 years. Once the details of her retirement party are confirmed we will update all members of the details.
- All hangar leases except 2 are signed and returned. Some discussion about the eviction process if leases are not signed. The airport attorney will review the language in the leases to advice of the correct process to evict if necessary.
- Presented the audit contract with Potter & Company, PC for fiscal year 6/30/19. The amount is the same as last year, \$16,000 for the audit and \$2,000 for financial statements. (See attached)

MOTION: Jack Shea motioned to approve the Audit Contract with Potter & Company, PC for fiscal year 2019.
SECOND: Wally Overman
DISCUSSION: None
OPPOSED: None
OUTCOME: Carried

Consent Agenda: Review/Approve DCAA minutes as presented.

MOTION: Jack Shea motioned to approve the minutes of the March 27, 2019 DCAA board meeting as presented.
SECOND: Joe Blakaitis
DISCUSSION: None
OPPOSED: None
OUTCOME: Carried

Committee's Report:

Events Committee:

- Fred Newberry stated that he placed a call out to Lee Nettles at Tourism Bureau to setup a meeting next week and would like Director Daniels to attend.
- May 10th-11th the authority was offered the opportunity to visit the AOPA Regional Fly-in at Frederick, MD to observe how they operate and run an event.
- Fred Newberry and Joe Blakaitis are interested and maybe able to attend the event.

Faculties/Safety Committee:

- Vice Chair Charlie Davidson reported that the committee is revising the DCAA Rules & Regulations Policy to have ready to for the FSDO meeting.

Comments from the Board:

Jack Shea expressed that having a controlled tower this summer is a huge positive influence and safety to the airport.

Wally Overman wanted to make sure all board members are 100% comfortable with the final draft Economic Impact Assessment Study and if so, when to have it presented to the Board of Commissioners. The next best opportunity to present to Board of Commissioners is May 7th or June 3rd.

Adjourn:

MOTION: Jack Shea motioned to adjourn
SECOND: Joe Blakaitis
DISCUSSION: None
OPPOSED: None
OUTCOME: Carried



Margaret Stauffer, Clerk to the Board
Dare County Airport Authority

DARE COUNTY AIRPORT AUTHORITY

RESOLUTION

The Dare County Airport Authority, on motion duly made and seconded, adopted the following Resolution:

WHEREAS, the current to the Dare County Airport Authority, Crystal Bateman, is retiring; and

WHEREAS, the Dare County Airport Authority desires to appoint a new Clerk to the Board of Directors to replace Crystal Bateman.

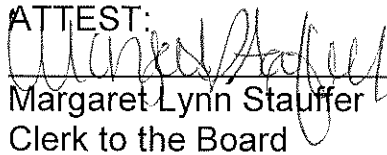
NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Authority hereby appoints Margaret Lynn Stauffer as Clerk to the Dare County Airport Authority Board of Directors.

Approved this 24 day of April, 2019.



Charles Davidson, Vice Chair
Dare County Airport Authority

ATTEST:



Margaret Lynn Stauffer
Clerk to the Board

Vote: _____ AYES _____ NAYS

-

Dare County Airport Authority

BUDGET AMENDMENT #2019-02

F/Y 2018-2019

ACCOUNT	CODE			INCREASE	DECREASE
	Org	Object	Project		

Revenues:

Expenditures:

CONTINGENCY	944785	550000			120,000
CONTRACTED SERVICES	944785	510700		120,000	

Explanation:

TEMPORARY AIR TRAFFIC CONTROL TOWER SERVICES
MAY 20 TO SEPT 2019

Approved by:

Board:

Chris Parker

Date: 04/24/2019

Manager:

David Daniels
(sign in red)

Date: 4-24-19

Finance only:

Date entered: _____ Entered by: _____ Reference number: _____

emailed 4/25/19

Motion: Temporary Tower Operation for Summer 2019

Background: The Safety and Facilities Committee has analyzed and reviewed in several meetings with the Flight Standards District Office in Greensboro, N.C. the gradual but significant growth of aircraft movements during the months of June, July, and August over the past decade. There are multiple sources of this growth in numbers of aircraft movements (takeoffs and landings).

Ten or more years ago, DCRA supported the operation of only one company doing banner towing and the majority of air tour flights were conducted from the First Flight Airport. After the Park Service closed air tour operations from First Flight, those operations moved to DCRA. Over the next few years more companies were licensed to conduct tours from DCRA, so that we now have three tour companies operating multiple aircraft including rotorcraft, one company providing Part 135 charter services as well as tours, an EMS rotorcraft based at DCRA and a busy skydiving service based at DCRA. Operations are mostly concentrated during the summer months of June, July and August.

In addition to these businesses operating from DCRA, the volume of transient aircraft arriving at DCRA has increased. The growth of fractional ownership jet transportation has grown greatly over the past several years and with that growth has been the increase in jet transient traffic and turboprop traffic into and out of DCRA. The mixture of fast turbine aircraft with slower piston airplanes in the traffic pattern is now a common occurrence in the summer months.

DCRA has, with occasional exceptions at special events (2003 100th Anniversary of Flight), been a "noncontrolled airport." Aircraft arriving and departing from noncontrolled airports follow recommendations in the Airman's Information Manual (AIM). Operating under the AIM, aircraft avoid other aircraft by visual means, by radio communication and following recommended traffic flow patterns.

It has been recommended to the DCAA by the FSDO that we consider implementation of a control tower operation during the busy summer months. At a controlled airport, unlike uncontrolled, an FAA certified air traffic controller directs the movements of airplanes entering and departing the airport traffic area by means of radio communication. Aircraft operating in the traffic area are separated and spaced by directions from the air traffic controller. The controller(s) also control aircraft taxi operations on the ramps, taxiways and runways. At DCRA the controller would also control the movements of aircraft picking and dropping banners.

The Safety Committee with airport management has reviewed the credentials of AirBoss, a private company employing FAA certified air traffic controllers for temporary high volume time periods. Air Boss is operated by Mr. Gorge Cline, a former FAA air traffic controller. This company operates temporary towers at noncontrolled airports at events such as college sports events, golf tournaments (Masters), and air show events and seasonal airports like DCRA. AirBoss has offered the services for this summer season to DCRA as per the details in the attached proposal and draft contract. For this sum of \$107,000.00, DCRA will be provided with air traffic control services for services as outlined in the proposal/contract provided. DCRA will provide housing for two controllers and such housing has been identified by airport management as outlined in the lease provided, and sublet the accommodations to AirBoss.

Funds for this summer's contract and housing would be provided by funds from the contingency fund and other line items from this year's budget. Mr. Daniels has discussed this use of the funds with Dare County Manager Outten and Mr. Claussen of Dare County Accounting Offices. It conceived that this summer would be a trial of the services with immediate attention towards continued funding for the services if the trial is considered successful in providing increased airborne and ground safety. If so considered the Safety Committee would begin immediate research into sources of ongoing funding for tower operations going forward. Grants or FAA tower funding would be investigated. Accurate record keeping of aircraft movements during the 2019 season would assist in confirming statistics. A possible side benefit may be increased numbers of transient aircraft with the reputation in the aviation community that DCRA is a control towered airport during the busy season.

As Safety Committee chairman I propose that the Authority accept this proposal for air traffic control services and the lease of the property as outlined for housing of the tower controllers.

Charles Davidson, MD



2019 Manteo NC (MQI)

Temporary ATCT (NFCT) Proposal

By George Cline, President AirBossInc

This Proposal is to determine the requirements for the establishment of a Temporary Air Traffic Control Tower during the dates of May 24th-Sept 3rd, 2019

AirBossInc has been in the Airshow and Temporary ATC business for more than 30 years.

AirBossInc has been awarded contracts to provide the temporary ATC tower services for numerous airports within the US. Some of these events, include the Sebring US Sport Aviation Expo (2014-2018), the Masters Golf Tournament at Daniel Field, Augusta GA (2004-2018) and the Clemson University and the Ole Miss University football games, Temporary ATC towers for the state of North Carolina, Rome Ga., Brunswick Ga., Deland FL. Aviation Showcase. I can provide a list of all towers if required and contact information. This was the first time in history that an entity, other than the FAA, conducted air traffic services for these events. Our expertise and efficiency combined with competitive pricing has made AirBossInc the go to company for ATC services within the US. While the FAA cannot go on record with comments regarding AirBossInc's interface with them, off the record, they were overjoyed with the professionalism work ethics of the AirBossInc controllers and the flawless ATC service and coordination AirBossInc provides. We are referred by the FAA to other airport providers due to the pricing and the professionalism of AirBossInc. Insurance liabilities will be provided upon the execution of the contract.

The following are Services that AirBossInc will provide for the duration of the Event:

1. AirBossInc will provide (2) certified professional Air Traffic controllers for the duration of event
 - 1) There will be only (1) controller on duty each day
 - 2) Hours of Operations will be 0900-1700 each day--Monday thru Sunday
2. All controllers are FAA certified and required to hold a Class II medical (required by the FAA) and a CTO (Control Tower Operator certificate, also required by the FAA)
3. All controllers will be CTO certified by the FAA prior to commencing operations
4. Initial and Ongoing Coordination with FAA Facilities/MQI Ops personnel/Airport Tenants to ensure the smoothest flow of traffic into and out of the airport
5. Certified VHF Radios with discrete frequencies for exclusive use approved by the FAA

Housing is not included in this Proposal

MQI Airport Authority will provide the following Items:

1. Airport Access for all AirBossInc personnel
 2. Operating A/C and heat units in the tower facility
 3. Provide furniture in the tower facility as required for controller comfort
 4. Restroom facilities with a reasonable location to the tower facility (floor below)
 5. WI-FI capabilities and passwords for login
 6. Any Radio/Antenna equipment that is already in place in the Tower facility located in the FBO
 7. Housing that consist of the following:
 - 2 bedrooms
 - 2 baths
 - Clean and Safe accommodations within a reasonable distance to the airport
- ***Price for the VFR Air Traffic Control Tower Services - \$107,000***
 - *A 25% deposit will be required when the contract is executed*

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

Finance Officer

**NORTH CAROLINA
DARE COUNTY**

**SERVICE CONTRACT
PURCHASE ORDER # _____**

THIS CONTRACT is made and entered into this the ____ day of _____, 2019, by and between DARE COUNTY AIRPORT AUTHORITY, a body corporate and politic existing pursuant to the laws of the State of North Carolina, (hereinafter referred to as the "AIRPORT"), and AIR BOSS, INC., a North Carolina corporation, whose mailing address is 220 Seven Oaks Landing, Belmont, NC 28012 (hereinafter referred to as "CONTRACTOR"), party of the second part.

1. **SERVICES TO BE PROVIDED AND AGREED CHARGES.** The services and/or material to be furnished under this contract (hereinafter referred to collectively as "SERVICES") and agreed charges for SERVICES rendered pursuant to this Contract are as follows:

- a. See attached Proposal of CONTRACTOR.
- b. Modifications, clarifications and additional provisions:
 - (1) The Contract price of \$107,000 shall be paid as follows:
 - (a) \$26,750 (25%) at the time this Contract is executed by all parties;
 - (b) \$19,125 by May 31, 2019;
 - (c) \$19,125 by June 30, 2019;
 - (d) \$19,125 by July 31, 2019;
 - (e) \$19,125 by August 30, 2019; and
 - (f) \$3,750 by October 1, 2019

AIRPORT may prepay any or all of the Contact price in full or in part at any time without penalty.

- (2) The final payment of \$3,750 represents a holdback (the "Holdback") to cover any damage to the residential dwelling leased by the AIRPORT from

a third party for use by the employees of CONTRACTOR during the term of this Contract. Any damage caused by CONTRACTOR's employees family members, invitees, licensees or guests shall be deducted by AIRPORT from the Holdback, with any remaining amount payable to CONTRACTOR accompanied by an itemized list of the deductions and the reasons for such deductions.

- (3) CONTRACTOR agrees and acknowledges that the residence located at 138 Partridge Trail, Kill Devil Hills, NC 27948 complies with the requirements of No. 7 on page 2 of the attached proposal from CONTRACTOR.
- (4) CONTRACTOR agrees and acknowledges that the facilities currently existing at the Terminal Building of the Dare County Regional Airport meet or exceed the requirements of Numbers 1, 2, 3, 4, 5 and 6 on page 2 of the attached proposal from CONTRACTOR.

2. **TERM OF CONTRACT.** The term of this CONTRACT for SERVICES is from May 24, 2019 to September 3, 2019, and shall continue thereafter until such time as a new written contract is effective between the parties. Either party may nonetheless cancel this contract on thirty (30) days written notice to the other party by certified mail, commercial overnight mail deliver service, or personal delivery. This contract is subject to the availability of funds to purchase the specified SERVICES and may be terminated at any time if such funds become unavailable.

3. **NOTIFICATION OF DIRECTOR WHILE ON SITE.** CONTRACTOR agrees to report to the Airport Director or the Airport Director's designee upon each and every arrival at the Airport to perform the SERVICES.

4. **PAYMENT TO CONTRACTOR**

a. The AIRPORT agrees to pay at the rates specified for SERVICES satisfactorily performed in accordance with this Contract.

b. All equipment, and maintenance and repair of equipment, necessary for CONTRACTOR's performance of this Contract shall be the CONTRACTOR's responsibility except as expressly provided otherwise in the attached proposal of CONTRACTOR.

5. **INDEPENDENT CONTRACTOR**

a. Both the AIRPORT and the CONTRACTOR agree that the CONTRACTOR shall act as an independent contractor and shall not represent itself as an agent or employee of the AIRPORT for any purpose in the performance of the CONTRACTOR'S duties under this

Contract. Accordingly, the CONTRACTOR shall be responsible for payment of all Federal, State and local taxes arising out of the CONTRACTOR'S activities in accordance with this contract, including by way of illustration but not limitation, Federal and State income tax, Social Security tax, Unemployment Insurance taxes, and any other taxes or business license fees as required.

b. In performing the SERVICES, the CONTRACTOR is acting as an independent contractor and shall perform SERVICES in accordance with currently approved methods and practice in the CONTRACTOR'S professional capacity and in accordance with the standards of applicable professional organizations and licensing agencies.

6. INSURANCE AND INDEMNITY

a. The CONTRACTOR shall indemnify and save harmless the AIRPORT, its agents and employees from and against all actions, liability, claims, suits, damages, cost or expenses of any kind which may be brought or made against the AIRPORT or which the AIRPORT must pay and incur by reason of or in any manner resulting from injury, loss or damage to persons or property resulting from negligent performance of or failure to perform any of its obligations under the terms of this CONTRACT.

b. CONTRACTOR shall, at CONTRACTOR's sole cost and expense, obtain, maintain, and keep in full force and effect during the Term of this Contract, commercial general liability insurance (without deductible) in a form approved in the State of North Carolina (including broad form property damage coverages). The limits of liability shall be not less than Five Million and 00/100 Dollars (\$5,000,000.00) per occurrence, which amount may be satisfied with a primary commercial general liability policy of not less than \$2,000,000.00 and an excess (or "Umbrella") liability policy affording coverage, at least as broad as that afforded by the primary commercial general liability policy, in an amount not less than \$3,000,000.00. AIRPORT, its officers, directors, and employees, and the employees of Dare County, shall be included as additional insureds in said policies and shall be protected against all liability arising in connection with this Contract. CONTRACTOR shall provide AIRPORT with evidence of such insurance at least five (5) business days before the commencement date of the term of this Contract.

c. The CONTRACTOR shall be fully responsible to the AIRPORT for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by CONTRACTOR.

d. In addition, the CONTRACTOR shall comply with the North Carolina Worker's Compensation Act and shall provide for the payment of workers' compensation to its employees in the manner and to the extent required by such Act. In the event the CONTRACTOR is excluded from the requirements of such Act and does not voluntarily carry workers' compensation coverage, the CONTRACTOR shall carry, or cause its employees to carry

adequate medical/ accident insurance to cover any injuries sustained by its employees or agents during the performance of SERVICES.

e. The CONTRACTOR agrees to furnish the AIRPORT proof of compliance with said Act or adequate medical/ accident insurance coverage upon request.

f. The CONTRACTOR upon request by the AIRPORT shall furnish a Certificate of Insurance from an insurance company, licensed to do business in the State of North Carolina and acceptable to the AIRPORT verifying the existence of any insurance coverage required by the AIRPORT. The Certificate will provide for thirty (30) days notice in the event of termination or cancellation of coverage.

7. **TAXPAYER IDENTIFICATION NUMBER.** CONTRACTOR shall complete and sign IRS Form W-9, Request for Taxpayer Identification Number and Certification, and submit same to AIRPORT within five (5) business days after the date of this Contract.

8. **HEALTH AND SAFETY.** The CONTRACTOR shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the work. The CONTRACTOR shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury or loss to all employees from the work and other persons who may be affected thereby.

9. **RIGHT TO REVIEW SERVICE RECORDS.** AIRPORT shall have the right (but not the obligation) to review the CONTRACTOR's service records to confirm what SERVICES were performed, who performed the SERVICES, and when the SERVICES were performed.

10. **NON-DISCRIMINATION IN EMPLOYMENT.** The CONTRACTOR shall not discriminate against any employee or applicant for employment because of age, sex, race, creed, or national origin. The CONTRACTOR shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their age, sex, race, creed, or national origin. In the event the CONTRACTOR is determined by the final order of an appropriate agency or court to be in violation of any non-discrimination provision of federal, state or local law or this provision, this Contract may be canceled, terminated or suspended in whole or in part by the AIRPORT, and the CONTRACTOR may be declared ineligible for further AIRPORT contracts.

11. **GOVERNING LAW.** This Contract shall be governed by and in accordance with the laws of the State of North Carolina. All actions relating in any way to this Contract shall be brought in the First Judicial District of the General Court of Justice of the State of North Carolina or in the Federal District Court for the Eastern District of North Carolina.

12. **CONTRACT DOCUMENTS/AMENDMENTS**

a. This document, together with the purchase order and any attached CONTRACTOR proposals or exhibits, constitutes the entire Contract between the said two parties and may only be modified by a written mutual agreement signed by the parties and attached hereto.

b. In the event of a conflict between any provision of this Contract and any term or condition contained in any CONTRACTOR proposal that may be attached hereto, the terms and conditions of this Contract shall control.

13. SIGNATURES

Both the AIRPORT and the CONTRACTOR agree to the above contract.

AIRPORT:

DARE COUNTY AIRPORT AUTHORITY

BY: _____
David Twiddy, Chair

CONTRACTOR:

AIR BOSS, INC.

BY: _____
George E. Cline, President

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


Finance Officer

NORTH CAROLINA
DARE COUNTY

Prepared by: Robert B. Hobbs, Jr., Attorney

THIS LEASE AGREEMENT, dated May 15, 2019, by and
between JENNA L. SCARBOROUGH, whose mailing address is 138 Partridge
Trail, Kill Devil Hills, NC, hereinafter referred to as "Landlord" and DARE COUNTY
AIRPORT AUTHORITY, whose mailing address is PO Box 429, 410 Airport Road, Manteo,
NC 27954, hereinafter referred to as "Tenant."

WITNESSETH:

1. Description of Premises. For the consideration hereinafter stated, the Landlord hereby leases to the Tenant the property located at 138 Partridge Trail, Kill Devil Hills, NC 27948 (the "Premises"). Also included as a part of this Lease are the following items of personal property or fixtures: Stove, refrigerator, and all appliances located on the Premises as of the date of this Lease.

2. Term of Lease. The term of this Lease shall commence on May 15, 2019 at 8:00 AM ET, and ending on September 15, 2019 at 5:00 PM ET, unless sooner terminated or extended as herein provided.

3. Rent.

a. The Tenant shall pay the Landlord the rent of \$10,000.00. The rent shall be payable in advance as follows:

- (1) \$1,250.00 due on the first day of the term of this Lease.
- (2) \$2,500.00 due on June 1, 2019.
- (3) \$2,500.00 due on July 1, 2019.
- (4) \$2,500.00 due on August 1, 2019
- (5) \$1,250.00 on September 1, 2019.

b. Tenant may prepay the rent in full or in part at any time without penalty.

4. Late payment charge. Tenant acknowledges that late payment to Landlord of rent and other sums due hereunder will cause Landlord to incur costs not contemplated by this Lease,

the exact amount of which will be extremely difficult to ascertain. Accordingly, if any installment of rent or other sums due from Tenant is not received by Landlord or its designated agent within fifteen (15) days after such amount is due, Tenant shall pay Landlord a late charge of four percent (4%) of the rent amount then due. The parties agree that such late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. Landlord's acceptance of such late charge shall in no event constitute a waiver of Tenant's default with respect to such overdue amount, or prevent Landlord from exercising any other right or remedy granted hereunder.

5. Security Deposit. The Tenant shall deposit with the Landlord the sum of \$2,500.00 as security for the full and faithful performance by the Tenant of all the terms of this Lease required to be performed by the Tenant. Such sums shall be returned to the Tenant after the expiration of this Lease, less any pet fee as described in Paragraph 8 below, provided the Tenant has fully and faithfully carried out all of its terms.

6. Real Estate Taxes. The Landlord shall pay all real estate taxes on the Premises for so long as this Lease remains outstanding.

7. Use of Property. The Tenant may use and occupy the Premises for residential purposes only. The maximum occupancy is five (5) persons. Any occupancy of the Premises by over five (5) persons shall entitle the Landlord to impose on Tenant a per-day fine of \$250.00 for each person in excess of five (5) persons, in lieu of or in addition to other remedies available to Landlord under this Lease. For example, if the house is being occupied by eight persons in violation of this Lease, the fine that the Landlord would be entitled to impose on Tenant would be \$500.00 (\$250.00 x 2) per day for the two people in excess of five persons. The Tenant shall not use or knowingly permit any part of the Premises to be used for any unlawful purpose. Landlord understands and acknowledges that Tenant will allow the Premises to be used for residential purposes by employees or contractors of Air Boss, Inc. (the "Operator"), who provides air traffic control services to the Tenant to supervise the airspace at the Dare County Regional Airport. It will be the employees of the Operator who will be residing on the Premises during the term of the Lease. The Tenant's provision of residential housing to the Operator's employees is a requirement of the contract between Tenant and the Operator.

8. Pets. Pets are allowed with a \$200 non-refundable pet deposit fee that Landlord will deduct from the security deposit at the end of the term of this Lease and after Tenant vacates the Premises. The pet deposit fee will only be charged if in fact Tenant allows one or more pets to stay in the home on the Premises.

9. Covenant of Quiet Possession. The Tenant upon the payment of the rent herein reserved and upon the performance of all the terms of this Lease, shall at all times during the lease term quietly enjoy the Premises without any disturbance from the Landlord or any other person claiming through the Landlord. The Landlord may enter the Premises for purposes of inspecting the Premises (with a 24-hour advance notice by Landlord to Tenant), performing any

work or repairs under this Lease, or exhibiting the Premises for sale, lease, or mortgage financing only after giving the Tenant advance notice of when such entry will occur.

10. Repair and Maintenance.

a. The Tenant shall, during the term of this Lease, keep the Premises in as good order and condition as it is at the date of the commencement of this Lease, reasonable wear and tear and damage by fire or other casualty excepted. The Tenant shall not cause or permit any waste, damage, or injury to the Premises. The Tenant shall not be obligated to make any repair which is occasioned by defective materials or workmanship in the building or fixtures therein, and such repairs shall be made by the Landlord at his expense. The Landlord, during the term of this Lease, shall keep the structural supports and exterior walls and roof of the building in good order and repair. The Landlord shall maintain in good working order and repair all plumbing, toilet facilities and other fixtures and equipment installed for the general supply of hot and cold water, heat, air conditioning, electrical wiring and related equipment, and all items of personal property supplied by the Landlord as indicated in Section 1 above.

b. The Tenant shall maintain the yard and grounds including regular cutting of the existing grass lawn. Landlord shall supply the lawn mower. Tenant shall supply any fuel needed for the operation of the lawn mower. Tenant shall not make any landscaping changes to the Premises.

11. Premises Requirements. Landlord shall supply to the Premises all items, safety equipment and components required by the North Carolina Residential Rental Agreements Act, including but not limited to working smoke detection and carbon monoxides detection devices.

12. Return of Property at Expiration of Lease. At the expiration of the Lease term, the Tenant shall return the Premises in as good condition as it was in at the beginning of the lease, reasonable use and wear and damages by the elements excepted.

13. Alterations and Improvements. No alterations, additions, repairs, or improvements to the Premises shall be made by the Tenant without the prior express written consent of the Landlord in each instance.

14. Utilities. Landlord shall provide and supply all utilities to the Premises at no cost or expense to Tenant, including electricity, light, heat, power, water and sewer.

15. Sublease or Assignment of Lease. Except as provided in Section 7 above with respect to the use of the Premises by employees or contractors of the Operator, Tenant shall not assign, mortgage or encumber this Lease, or sublet or permit the Premises or any part thereof to be used by others, without the prior written consent of the Landlord in each instance.

16. Landlord's Right upon Tenant's Default. If the Premises shall be deserted or vacated, or if proceedings are commenced against the Tenant in any court under the Bankruptcy

Act or for the appointment of a trustee or receiver of the Tenant's property either before or after the commencement of the lease term, or if there shall be a default in the payment of rent for more than thirty (30) days, or if there shall be a default in the performance of any other covenant, agreement, condition, rule or regulation herein contained or hereafter established on the part of the Tenant for more than fifteen (15) days after written notice of the Tenant's default by the Landlord, this Lease (if the Landlord so elects) shall thereupon become null and void, and the Landlord shall have the right to reenter or repossess the Premises, and dispossess and remove therefrom the Tenant, or other occupants thereof, and their effects, without being liable to any prosecution for the same. In such case, the Landlord, at his option, may relet the Premises or any part thereof, and the Tenant shall pay the Landlord the difference between the rent hereby reserved and agreed to be paid by the Tenant for the portion of the term remaining at the time of reentry or repossession, and the amount, if any received or to be received under such reletting for such portion of the term.

17. Fire or Other Casualty Loss. In case of damage by fire or other casualty to the building in which the Premises is located, without the fault of the Tenant, if the damage is so extensive as to amount practically to the destruction of the Premises or of such building, this Lease shall cease, and the rent shall be apportioned to the time of the damage. In all other cases where the Premises is damaged by fire or other casualty without the fault of the Tenant, the Landlord shall repair the damage with reasonable dispatch, and, if the damage has rendered the Premises untenable, in whole or in part, there shall be an apportionment of the rent until the damage has been repaired.

18. Insurance. The Landlord shall keep the Premises building and any items of personal property supplied therewith under this Lease within the Premises insured against loss or damage by fire with extended coverage endorsement in an amount not less than eighty percent (80%) percent of the full insurable value as determined from time to time. The Tenant shall be responsible for insuring his own property located on the Premises.

19. Subordination to Mortgages. This Lease shall be subject and subordinate at all times to the lien of existing deeds of trust or mortgages and of deeds of trust or mortgages which hereafter may be made a lien on the Premises. No instrument or act on the part of the Tenant shall be necessary to effectuate such subordination.

20. Exoneration from Liability. The Landlord shall not be liable for any personal injury or damage to the Tenant or to any other occupant of any part of the Premises, or for any damage to any property of the Tenant or any other occupant of any part of the Premises, irrespective of how such injury or damage may be caused, whether from action of the elements or acts of negligence of occupants of the subject property or adjacent property. The Tenant shall indemnify and defend the Landlord and the Premises, at the Tenant's expense, against all claims, expenses, and liabilities arising from the management of or any occurrence on or about the Premises; any default by the Tenant hereunder; or any act or negligence of the Tenant or Tenant's agents, contractors, employees, invitees, or licensees.

21. Holdover by Tenant. Should the Tenant hold over and remain in possession of the Premises after the expiration of this Lease without the Landlord's consent, it shall not be deemed or construed to be a renewal or extension of this Lease but shall only operate to create a month-to-month tenancy which may be terminated by the Landlord at the end of any month upon 30 days' prior written notice to the Tenant.

22. Suit Costs. In the event either party shall institute an action to enforce the provisions of this Agreement, the party prevailing in such action, whether by adjudication, arbitration, or settlement, shall be entitled to recover suit costs, including reasonable attorney's fees, from the other party.

23. Applicable Law. This Agreement shall be construed and interpreted under the laws of the State of North Carolina.

24. Venue. This Lease shall be enforceable in Dare County, North Carolina, and if legal action is necessary by either party with respect to the enforcement of any or all of the terms or conditions herein, exclusive venue for the enforcement of same shall lie in the District or Superior Court of Dare County, North Carolina.

25. Attorneys' Fees and Court Costs. In the event suit or action is brought upon or in connection with the enforcement of this Lease, the non-prevailing party shall pay reasonable attorneys' fees, expenses and court costs incurred by the prevailing party in connection therewith.

26. Parties. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. As used herein, words in singular include the plural and the masculine includes the feminine and neuter genders, as appropriate.

27. Notices. Notices hereunder shall be effective and deemed given when deposited in the United States Mails, postage prepaid, certified mail with return receipt requested, or commercial overnight delivery service, and addressed, in the case of either party, to the mailing address shown on page 1 of this Lease. Any party may change the address to which such notices are to be addressed by giving each other party notice in the manner herein set forth.

28. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.

29. Headings. The headings, subheadings and captions in this Agreement and in any exhibit hereto are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.


30. Entire Agreement. This Agreement contains the entire Agreement between the parties hereto with respect to the subject matter hereof and supersedes all negotiations, prior discussions, agreements, arrangements and understandings, written or oral, relating to the subject matter hereof.

31. Amendments. This Agreement may not be amended except by written instrument duly executed by or on behalf of all of the parties hereto.

32. Invalid Provision. The invalidity or unenforceability for any reason of any particular provision or provisions of this Agreement shall not affect the other provisions hereof, and the Agreement shall be construed in all respects as if such invalid and unenforceable provisions were omitted.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be duly executed and delivered as of the day and year first above written.

LANDLORD:


_____(SEAL)
JENNA L. SCARBOROUGH

TENANT:

DARE COUNTY AIRPORT AUTHORITY

BY: 

David Daniels, Airport Director

DARE COUNTY AIRPORT AUTHORITY

Capital Project Ordinance

For

APRON Rehabilitation Phase II at the Dare County Regional Airport

BE IT ORDAINED by the Dare County Airport Authority of Dare County, North Carolina that, pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Capital Project Ordinance is adopted:

Section 1: The project authorized is the Aircraft Parking Apron Rehabilitation Phase II – Design and Bidding. It shall be financed by the State Aid grant from the North Carolina Department of Transportation Fiscal year 2019 funds and by using the In-Kind funds allocated to the Airport as local match.

Section 2: The following budget shall be conducted within the Capital Projects Fund (fund #95).

Section 3: The following amount is appropriated for the project:

APRON Rehabilitation – Phase II

TBI Project # 2301-1803	955785-737620-10771	\$ 71,280
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Section 4: The following revenues are anticipated to be available to complete the project:

State Aid	953785-422270-10771	\$ 64,152
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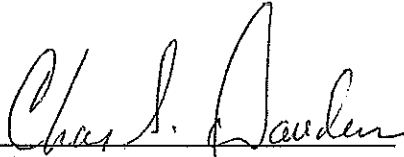
Trans from DCAA Oper Fund	953785-499400-10771	\$ 7,128
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Section 5: The Finance Officer is directed to report, on a monthly basis, the financial status of the project as a part of the normal monthly reporting process currently in place.

Section 6: Copies of this capital project ordinance shall be furnished to the Budget Officer, the Finance Officer and to the Clerk to the Dare County Authority.

Adopted this 24th day of April, 2019

[SEAL]


Charles Davidson, Vice Chair DCAA


Margaret L. Stauffer, Clerk to the DCAA

mailed 4/25/19

Talbert & Bright Engineers Update

April 2019

Runway 17 Land Available

John Massey provided additional information to the Airport Authority related to the parcel of land located beyond the end Runway 17 is for sale. The attached exhibit was presented to the Authority showing that a portion of the land is located within the Runway 17 approach. The portion of land inside the approach is wooded and has trees that are penetrations to the approach to Runway 17. It would be of benefit for the airport to acquire the property to allow for the trees to be removed. The Airport Authority asked Talbert & Bright and David Daniels to check with the NCDOA to see if NPE grant funds could be utilized to acquire the parcel to allow the trees to be removed, improving safety for pilots landing on Runway 17.



8.35 Acre Parcel

CITY OF CHANDLER

03270

0455

6/30/19

The	Governing Board
of	Primary Government Unit DARE COUNTY AIRPORT AUTHORITY
and	Discretely Presented Component Unit (DPCU) (if applicable) N/A

Primary Government Unit, together with DPCU (if applicable), hereinafter referred to as Governmental Unit(s)

and	Auditor Name POTTER & COMPANY, PA
	Auditor Address 106 WELTON WAY MOORESVILLE, NC 28117

Hereinafter referred to as Auditor

for	Fiscal Year Ending 04/22/19	Audit Report Due Date 10/31/19
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Must be within four months of FYE

This Instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

hereby agree as follows:

1. The Auditor shall audit all statements and disclosures required by U.S. generally accepted auditing standards (GAAS) and additional required legal statements and disclosures of all funds and/or divisions of the governmental Unit(s). The non-major combining, and individual fund statements and schedules shall be subjected to the auditing procedures applied in the audit of the basic financial statements and an opinion shall be rendered in relation to (as applicable) the governmental activities, the business-type activities, the aggregate DPCUs, each major governmental and enterprise fund, and the aggregate remaining fund information (non-major government and enterprise funds, the internal service fund type, and the fiduciary fund types).
2. At a minimum, the Auditor shall conduct his/her audit and render his/her report in accordance with GAAS. The Auditor shall perform the audit in accordance with *Government Auditing Standards* if required by the State Single Audit Implementation Act, as codified in G.S. 159-34. If required by OMB *Uniform Administration Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act, the Auditor shall perform a Single Audit. This audit and all associated audit documentation may be subject to review by Federal and State agencies in accordance with Federal and State laws, including the staffs of the Office of State Auditor (OSA) and the Local Government Commission (LGC). If the audit requires a federal single audit performed under the requirements found in Subpart F of the Uniform Guidance (§200.501), it is recommended that the Auditor and Governmental Unit(s) jointly agree, in advance of the execution of this contract, which party is responsible for submission of the audit and the accompanying data collection form to the Federal Audit Clearinghouse as required under the Uniform Guidance (§200.512).

If the audit and Auditor communication are found in this review to be substandard, the results of the review may be forwarded to the North Carolina State Board of CPA Examiners (NC State Board).

County and Multi-County Health Departments: The Office of State Auditor will require Auditors of these Governmental Units to perform agreed upon procedures (AUPs) on eligibility determination on certain programs. Both Auditor and Governmental Unit agree that Auditor shall complete and report on these AUPs on

emailed 4/25/19

eligibility determination as required by OSA and in accordance with the instructions and timeline provided by OSA.

3. If an entity is determined to be a component of another government as defined by the group audit standards, the entity's auditor shall make a good faith effort to comply in a timely manner with the requests of the group auditor in accordance with AU-6 §600.41 - §600.42.
4. This contract contemplates an unmodified opinion being rendered. If during the process of conducting the audit, the Auditor determines that it will not be possible to render an unmodified opinion on the financial statements of the unit, the Auditor shall contact the LGC staff to discuss the circumstances leading to that conclusion as soon as is practical and before the final report is issued. The audit shall include such tests of the accounting records and such other auditing procedures as are considered by the Auditor to be necessary in the circumstances. Any limitations or restrictions in scope which would lead to a qualification should be fully explained in an attachment to this contract.
5. If this audit engagement is subject to the standards for audit as defined in *Government Auditing Standards*, 2011 revisions, issued by the Comptroller General of the United States, then by accepting this engagement, the Auditor warrants that he/she has met the requirements for a peer review and continuing education as specified in *Government Auditing Standards*. The Auditor agrees to provide a copy of the most recent peer review report to the Governmental Unit(s) and the Secretary of the LGC prior to the execution of an audit contract. Subsequent submissions of the report are required only upon report expiration or upon auditor's receipt of an updated peer review report. If the audit firm received a peer review rating other than pass, the Auditor shall not contract with the Governmental Unit(s) without first contacting the Secretary of the LGC for a peer review analysis that may result in additional contractual requirements.

If the audit engagement is not subject to *Government Accounting Standards* or if financial statements are not prepared in accordance with U.S. generally accepted accounting principles (GAAP) and fail to include all disclosures required by GAAP, the Auditor shall provide an explanation as to why in an attachment to this contract or in an amendment.

6. It is agreed that time is of the essence in this contract. All audits are to be performed and the report of audit submitted to LGC staff within four months of fiscal year end. If it becomes necessary to amend this due date or the audit fee, an amended contract along with a written explanation of the delay shall be submitted to the Secretary of the LGC for approval.
7. It is agreed that GAAS include a review of the Governmental Unit's (Units') systems of internal control and accounting as same relate to accountability of funds and adherence to budget and law requirements applicable thereto; that the Auditor shall make a written report, which may or may not be a part of the written report of audit, to the Governing Board setting forth his/her findings, together with his recommendations for improvement. That written report shall include all matters defined as "significant deficiencies and material weaknesses" in AU-C 265 of the *AICPA Professional Standards (Clarified)*. The Auditor shall file a copy of that report with the Secretary of the LGC.
8. All local government and public authority contracts for audit or audit-related work require the approval of the Secretary of the LGC. This includes annual or special audits, agreed upon procedures related to internal controls, bookkeeping or other assistance necessary to prepare the Governmental Unit's (Units') records for audit, financial statement preparation, any finance-related investigations, or any other audit-related work in the State of North Carolina. Invoices for services rendered under these contracts shall not be paid by the Governmental Unit(s) until the invoice has been approved by the Secretary of the LGC. (This also includes any progress billings.) [G.S. 159-34 and 115C-447] All invoices for Audit work shall be submitted in PDF format to the Secretary of the LGC for approval. The invoice marked 'approved' with approval date shall be returned to

the Auditor to present to the Governmental Unit(s) for payment. Approval is not required on contracts and invoices for system improvements and similar services of a non-auditing nature.

9. In consideration of the satisfactory performance of the provisions of this contract, the Governmental Unit(s) shall pay to the Auditor, upon approval by the Secretary of the LGC, the fee, which includes any costs the Auditor may incur from work paper or peer reviews or any other quality assurance program required by third parties (federal and state grantor and oversight agencies or other organizations) as required under the Federal and State Single Audit Acts. This does not include fees for any pre-issuance reviews that may be required by the NC Association of CPAs (NCACPA) Peer Review Committee or NC State Board of CPA Examiners (see Item 12).
10. If the Governmental Unit(s) has/have outstanding revenue bonds, the Auditor shall submit to LGC staff, either in the notes to the audited financial statements or as a separate report, a calculation demonstrating compliance with the revenue bond rate covenant. Additionally, the Auditor shall submit to LGC staff simultaneously with the Governmental Unit's (Units') audited financial statements any other bond compliance statements or additional reports required by the authorizing bond documents, unless otherwise specified in the bond documents.
11. After completing the audit, the Auditor shall submit to the Governing Board a written report of audit. This report shall include, but not be limited to, the following information: (a) Management's Discussion and Analysis, (b) the financial statements and notes of the Governmental Unit(s) and all of its component units prepared in accordance with GAAP, (c) supplementary information requested by the Governmental Unit(s) or required for full disclosure under the law, and (d) the Auditor's opinion on the material presented. The Auditor shall furnish the required number of copies of the report of audit to the Governing Board upon completion.
12. If the audit firm is required by the NC State Board, the NCACPA Peer Review Committee, or the Secretary of the LGC to have a pre-issuance review of its audit work, there shall be a statement in the engagement letter indicating the pre-issuance review requirement. There also shall be a statement that the Governmental Unit(s) shall not be billed for the pre-issuance review. The pre-issuance review shall be performed prior to the completed audit being submitted to LGC Staff. The pre-issuance review report shall accompany the audit report upon submission to LGC Staff.
13. The Auditor shall submit the report of audit in PDF format to LGC Staff when (or prior to) submitting the final invoice for services rendered. The report of audit, as filed with the Secretary of the LGC, becomes a matter of public record for inspection, review and copy in the offices of the LGC by any interested parties. Any subsequent revisions to these reports shall be sent to the Secretary of the LGC along with an Audit Report Reissued Form (available on the Department of State Treasurer website). These audited financial statements, excluding the Auditors' opinion, may be used in the preparation of official statements for debt offerings by municipal bond rating services to fulfill secondary market disclosure requirements of the Securities and Exchange Commission and for other lawful purposes of the Governmental Unit(s) without requiring consent of the Auditor. If the LGC Staff determines that corrections need to be made to the Governmental Unit's (Units') financial statements, those corrections shall be provided within three business days of notification unless another deadline is agreed to by LGC staff.

If the OSA designates certain programs to be audited as major programs, as discussed in Item 2, a turnaround document and a representation letter addressed to the OSA shall be submitted to LGC Staff.

14. Should circumstances disclosed by the audit call for a more detailed investigation by the Auditor than necessary under ordinary circumstances, the Auditor shall inform the Governing Board in writing of the need for such additional investigation and the additional compensation required therefore. Upon approval by the

Secretary of the LGC, this contract may be modified or amended to include the increased time, compensation, or both as may be agreed upon by the Governing Board and the Auditor.

15. If an approved contract needs to be modified or amended for any reason, the change shall be made in writing, on the Amended LGC-205 contract form and pre-audited if the change includes a change in audit fee (pre-audit requirement does not apply to charter schools). This amended contract shall be completed in full, including a written explanation of the change, signed and dated by all original parties to the contract. It shall then be submitted to the Secretary of the LGC for approval. No change to the audit contract shall be effective unless approved by the Secretary of the LGC, the Governing Board, and the Auditor.

16. A copy of the engagement letter, issued by the Auditor and signed by both the Auditor and the Governmental Unit(s), shall be attached to this contract, and shall be incorporated by reference as if fully set forth herein as part of this contract. In case of conflict between the terms of the engagement letter and the terms of this contract, the terms of this contract shall take precedence. Engagement letter terms that conflict with the contract are deemed to be void unless the conflicting terms of this contract are specifically deleted in Item 26 of this contract. Engagement letters containing indemnification clauses shall not be accepted by LGC Staff.

17. Special provisions should be limited. Please list any special provisions in an attachment.

18. A separate contract should not be made for each division to be audited or report to be submitted. If a DPCU is subject to the audit requirements detailed in the Local Government Budget and Fiscal Control Act and a separate audit report is issued, a separate audit contract is required. If a separate report is not to be issued and the DPCU is included in the primary government audit, the DPCU shall be named along with the parent government on this audit contract. DPCU Board approval date, signatures from the DPCU Board chairman and finance officer also shall be included on this contract.

19. The contract shall be executed, pre-audited (pre-audit requirement does not apply to charter schools), and physically signed by all parties including Governmental Unit(s) and the Auditor, then submitted in PDF format to the Secretary of the LGC.

20. The contract is not valid until it is approved by the Secretary of the LGC. The staff of the LGC shall notify the Governmental Unit and Auditor of contract approval by email. The audit should not be started before the contract is approved.

21. Retention of Client Records: Auditors are subject to the NC State Board of CPA Examiners' Retention of Client Records Rule 21 NCAC 08N .0305 as it relates to the provision of audit and other attest services, as well as non-attest services. Clients and former clients should be familiar with the requirements of this rule prior to requesting the return of records.

22. This contract may be terminated at any time by mutual consent and agreement of the Governmental Unit(s) and the Auditor, provided that (a) the consent to terminate is in writing and signed by both parties, (b) the parties have agreed on the fee amount which shall be paid to the Auditor (if applicable), and (c) no termination shall be effective until approved in writing by the Secretary of the LGC.

23. The Governmental Unit's (Units') failure or forbearance to enforce, or waiver of, any right or an event of breach or default on one occasion or instance shall not constitute the waiver of such right, breach or default on any subsequent occasion or instance.

24. There are no other agreements between the parties hereto and no other agreements relative hereto that shall be enforceable unless entered into in accordance with the procedure set out herein and approved by the Secretary of the LGC.

25. E-Verify. Auditor shall comply with the requirements of NCGS Chapter 64 Article 2. Further, if Auditor utilizes any subcontractor(s), Auditor shall require such subcontractor(s) to comply with the requirements of NCGS Chapter 64, Article 2.
26. All of the above paragraphs are understood and shall apply to this contract, except the following numbered paragraphs shall be deleted (See Item 16 for clarification).
27. The process for submitting contracts, audit reports and invoices is subject to change. Auditors and units should use the submission process and instructions in effect at the time of submission. Refer to the N.C. Department of State Treasurer website at <https://www.nctreasurer.com/slg/Pages/Audit-Forms-and-Resources.aspx>.
28. All communications regarding audit contract requests for modification or official approvals will be sent to the email addresses provided on the signature pages that follow.

FEES FOR AUDIT SERVICES

For all non-attest services, the Auditor shall adhere to the independence rules of the AICPA Professional Code of Conduct and *Governmental Auditing Standards* (as applicable). Bookkeeping and other non-attest services necessary to perform the audit shall be included under this contract. However, bookkeeping assistance shall be limited to the extent that the Auditor is not auditing his or her own work or making management decisions. The Governmental Unit shall designate an individual with the suitable skills, knowledge, and/or experience necessary to oversee the services and accept responsibility for the results of the services. Financial statement preparation assistance shall be deemed a "significant threat" requiring the Auditor to apply safeguards sufficient to reduce the threat to an acceptable level. The Auditor shall maintain written documentation of his or her compliance with these standards in the audit work papers.

Fees may not be included in this contract for work performed on Annual Financial Information Reports (AFIRs), Form 990s, or other services not associated with audit fees and costs. Such fees may be included in the engagement letter, but may not be included in this contract or in any invoices requiring approval of the LGC. See Items 8, 9, and 12 for details on other allowable and excluded fees.

Prior to submission of the completed audited financial report, applicable compliance reports and amended contract (if required) the Auditor may submit invoices for approval for services rendered, not to exceed 75% of the total of the stated fees below. If the current contracted fee is not fixed in total, invoices for services rendered may be approved for up to 75% of the prior year audit fee. Should the 75% cap provided below conflict with the cap calculated by LGC staff based on the prior year audit fee on file with the LGC, the LGC calculation prevails.

20 NCAC 03 .0505: All invoices for services rendered in an audit engagement as defined in 20 NCAC 3 .0503 shall be submitted to the Commission for approval before any payment is made. Payment before approval is a violation of law.

PRIMARY GOVERNMENT FEES

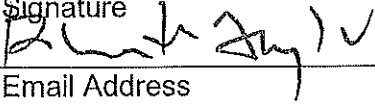
Primary Government Unit	DARE COUNTY AIRPORT AUTHORITY
Audit	\$16,000
Writing Financial Statements	\$2,000
All Other Non-Attest Services	\$SEE ENGAGEMENT LETTER
75% Cap for Interim Invoice Approval	\$13,500.00

DPCU FEES (if applicable)

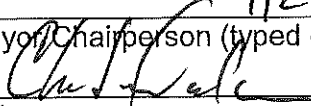
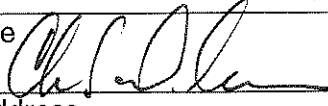
Discretely Presented Component Unit	N/A
Audit	\$
Writing Financial Statements	\$
All Other Non-Attest Services	\$
75% Cap for Interim Invoice Approval	\$

SIGNATURE PAGE

AUDIT FIRM

Audit Firm POTTER & COMPANY, PA	
Authorized Firm Representative (typed or printed) ROBERT W. TAYLOR	Signature 
Date 04/22/19	Email Address BTAYLOR@GOTOPOTTER.COM

GOVERNMENTAL UNIT

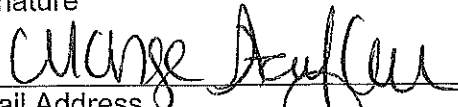
Governmental Unit DARE COUNTY AIRPORT AUTHORITY	
Date Primary Government Unit Governing Board Approved Audit Contract (Ref. G.S. 159-34(a) or G.S. 115C-447(a)) ✓ 4/24/19	
Mayor/Chairperson (typed or printed) ✓  CHARLES DAVIDSON	Signature ✓ 
Date ✓ 4/24/19	Email Address ✓ AIRMAX103@GMAIL.COM

Chair of Audit Committee (typed or printed, or "NA") N/A	Signature
Date	Email Address

GOVERNMENTAL UNIT – PRE-AUDIT CERTIFICATE
(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

Primary Governmental Unit Finance Officer (typed or printed) ✓ Marge Stauffer	Signature ✓ 
Date of Pre-Audit Certificate ✓ 4/25/19	Email Address ✓ MARGE.STAUFFER@DARENC.COM

SIGNATURE PAGE – DPCU
(complete only if applicable)

DISCRETELY PRESENTED COMPONENT UNIT

DPCU N/A	
Date DPCU Governing Board Approved Audit Contract (Ref: G.S. 159-34(a) or G.S. 115C-447(a))	
DPCU Chairperson (typed or printed)	Signature
Date	Email Address

Chair of Audit Committee (typed or printed, or "NA")	Signature
Date	Email Address

DPCU – PRE-AUDIT CERTIFICATE
(Pre-audit certificate not required for charter schools)

Required by G.S. 159-28(a1) or G.S. 115C-441(a1)

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

DPCU Finance Officer (typed or printed)	Signature
Date of Pre-Audit Certificate	Email Address

Remember to print this form, and obtain all
required signatures prior to submission.

PRINT



POTTER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

April 22, 2019

To the Board
Dare County Airport Authority
Manteo, North Carolina

We are pleased to confirm our understanding of the services we are to provide for the Dare County Airport Authority for the year ending June 30, 2019. We will audit the financial statements of the governmental activities, the business-type-activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements, of the Dare County Airport Authority for and for the year ending June 30, 2019. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the Dare County Airport Authority basic financial statements. As part of our engagement, we will apply certain limited procedures to the Dare County Airport Authority RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Letter of Transmittal.
3. Budgetary comparison schedules.

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your general purpose financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information when considered in relation to the general purpose financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the Dare County Airport Authority and other procedures we consider necessary to enable us to express such opinions. We will issue a written report upon completion of our audit of The Dare County Airport Authority's financial statements. Our report will be addressed to the Board of the Dare County Airport Authority. We cannot provide assurance that unmodified opinions will be expressed. Circumstances may arise in which it is necessary for us to modify our opinions or add emphasis-of-matter or other-matter paragraphs. If our opinions on the financial statements are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinion, we may decline to express opinions or issue reports, or may withdraw from the engagement.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitation of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that comes to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the general purpose financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the general purpose financial statements. Tests of controls relative to the general purpose financial statements are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under professional standards, *Government Audit Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Dare County Airport Authority compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Other Services

We will also assist in preparing the financial statements and related notes of the Dare County Airport Authority in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*.

Management Responsibilities

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluation and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position for the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Dare County Airport Authority and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provision of contract and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with 1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, 2) additional information that we may request for the purpose of the audit, and 3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving 1) management, 2) employees who have significant roles in internal control, and 3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegation of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations contracts, agreements, and grants.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U. S. generally accepted accounting principles. You agree to include our report on

the supplementary information in any document that contains and indicates that we have reported on the supplementary information. Your responsibilities include acknowledging to us in the written representation letter that s) you are responsible for presentation of the supplementary information in accordance with GAAP; b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; c) that the methods of measurement or presentation have not changed from those used in the prior period; and d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining process for tracking the status of audit findings and recommendation. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Objectives section of the letter. This responsibility includes relaying to us corrective actions taken to address significant finding and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing managements' view on our current findings, conclusions, and recommendation, as well as your planned corrective action, for the report, and for the timing and format for providing that information.

Audit Administration, Fees, and Other

We may from time to time, and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers, but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all serviced providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any invoices selected by us for testing.

We will provide copies of our reports to the Dare County Airport Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Potter & Company, PA, and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a Cognizant or Oversight Agency for Audit or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Potter & Company, PA personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the date the auditors' report is issued or for any additional period requested by the Cognizant Agency. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the work papers.

Robert W. Taylor, CPA, is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

We expect to begin our audit in August 2019 and to issue our reports no later than October 31, 2019. Our fee for these services will be \$18,000. The fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary for other audit procedures not anticipated, procedures of a bookkeeping nature, preparation of schedules or reconciliations for the audit, including adjusting journal entries, fixed asset reconciliations, construction project reconciliations or assistance with preparation of the Comprehensive Annual Financial Report, we will discuss these procedures with Management and bill you at the following discounted hourly rates:

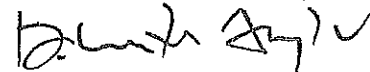
	<u>Discounted Hourly Rates</u>
Partner	\$250
Manager	175
Other Team Members	125
Clerical	50

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2016 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Dare County Airport Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

POTTER & COMPANY, P.A.



Robert W. Taylor, CPA/PFS

RESPONSE:

This letter correctly sets forth the understanding of the Dare County Airport Authority.

By: ✓ Marge Stauffer

Title: ✓ Acct. Tech

Date: ✓ 4/25/19