



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
June 29, 2022 MEETING

Members Present: Charlie Davidson, Fred Newberry, Joe Blakaitis, William Pope, George Henderson, David Crownover, Pete Burkheimer, Wally Overman

Members Absent: Jack Shea

Also Attending: Robert Hobbs, Hornthal, Riley, Ellis & Maland; Stacy Ambrose, Airport Director; Margaret Stauffer, Finance Officer & Clerk to the Board; John Massey, Talbert & Bright

Public Attending: None

ITEM #1 - Public Hearing: Proposed 2022-2023 Airport Budget Ordinance:

Chairman Davidson opened the public hearing at 4:00 PM for the proposed Airport Budget Ordinance for Fiscal-Year 2022-2023. Finance Officer Marge Stauffer confirmed that there we no public comments submitted prior to the meeting. With no other public comments the public hearing for the budget was closed.

There were no comments or questions so the Chairman closed the public hearing at 4:03PM.

ITEM #2 - Consideration/Approval of 2022-2023 Airport Budget Ordinance:

(see attached)

Chairman Davidson opened the floor for discussion/approval of the Fiscal-Year 2022-2023 Airport Budget Ordinance.

MOTION: George Henderson motioned to approve the proposed Airport Budget Ordinance for Fiscal-Year 2022-2023 as presented.

SECOND: Wally Overman

DISCUSSION: No discussion

OPPOSED: None

OUTCOME: Carried

ITEM 3 - Public Comments:

None

ITEM 4 - Engineer's Report:

John Massey updated on the following: (see attached)

- *Apron Pavement Rehabilitation* – Hatchell Concrete is finalizing the punch-list items. The apron was placed into service Memorial Day weekend.
- *Runway 23 RPZ Land Acquisition* - For property at 1099 and 1115 Driftwood Drive (City Beverage), as previously coordinated with the Airport Authority, TBI is continuing to coordinate with Bourne Appraisal for an update to the original appraisal for City Beverage Warehouse. An update to the small portion of the mini warehouse storage property is also needed. The cost for the updated appraisal for the portion of the mini warehouse site is \$3,500.

On October 20, 2021, an offer to purchase was made for 1133 Driftwood Drive (Roughton). Property owner was also provided with relocation assistance documentation on December 18, 2021. Mr. Roughton signed the offer to purchase on February 14, 2022. The Airport closed on the property on March 30, 2022. Reimbursement package has been submitted to NCDOT Division of Aviation to allow the airport to be reimbursed 100% for this acquisition.

- *Airfield Lighting System Rehabilitation project* Design of the airfield lighting system rehabilitation project has commenced. The first submission to NCDOA was made in early June.

- MOTION:** Joe Blakaitis motioned to approve the authorization of an updated appraisal to include the mini storage building in the amount of \$3,500.
- SECOND:** Pete Burkheimer
- DISCUSSION:** No discussion
- OPPOSED:** None
- OUTCOME:** Carried

Wally Overman inquired about the EMS new hangar location. Engineer John Massey stated that the Architect has submitted the FAA 7460 Form which is the airspace review and determination was submitted last month. This review time is estimated to be 45 days.

ITEM 5 - Attorney's Report:

Attorney Hobbs reported that he prepared draft revised lease agreement for the Venable Group and the all the office spaces in the terminal building for the members to review. The leases will have the following changes.

Terminal building office lease:

- Have a one year term with no right to auto renew.
- Prohibit tenants from installing any signage, all signage to provided and installed by the airport
- Business must not abundant the building or stop operating.
- Monthly rent is \$250 a month.

Venable Group hangar lease:

- Term changed from 5 years to 1 year term.
- Prohibit tenants from installing any signage, all signage to provided and installed by the airport
- Business must not abundant the building or stop operating.

MOTION: Wally Overman motioned to approve the new leases for the Venable Group and the new terminal building; with authorization for the Airport Director to approve minor changes if needed and sign the leases.

SECOND: Pete Burkhimer

DISCUSSION: Pete Burkhimer asked that the amounts be corrected to 12 months and correct amount.

OPPOSED: None

OUTCOME: Carried

TEM 6 - Chair Report:

Chairman Davidson brought up that he has a scheduling conflict and will not be able to make the next board meeting date of July 27th. A few of the members suggested that the meeting be move up a week.

MOTION: Bill Pope motioned to approve to move the July 27, 2022 board meeting up a week to July 20, 2022.

SECOND: Joe Blakaitis

DISCUSSION: No discussion

OPPOSED: None

OUTCOME: Carried

ITEM 7 - Director's Report

Director Ambrose reported the following:

- Mausoleum – shed removed and cleared (see attached photos) Attorney Hobbs suggested pulling the contract with Twiford to review.
- Hangar repairs and maintenance – received a few quotes from \$29k to \$59k awaiting from
- Roughten Property – is a house and 3-day garage that has a lot of personal items left in the house. Once this is empty it all will be demolished in the fall.
- Self-Serv pump – has a new stainless steel faceplate completely installed and looks great.
- Titan Aviation Fuels - met with our new rep and discussed a larger fuel truck.
- Steven King – retained Jay Wills attorney for preparing the letter of intent for hangar space for Steven King.
- Triathlon – September 16-17th and part of the race will be at the swimming hole and on the airport property.
- Property – cleared overgrowth of shrubs on roadway.
- Control Tower – is running smoothly.

ITEM 8 – Consent Agenda

Review/Approve DCAA minutes for April 27, 2022 and May 25, 2055 as presented.

MOTION: Joe Blakaitis motioned to approve the Consent Agenda minutes for the April 27, 2022 and May 25, 2055 as presented.
SECOND: Bill Pope
DISCUSSION: None
OPPOSED: None
OUTCOME: Carried

ITEM 9 - Committee Reports:

None

ITEM 10 - Comments from the Authority Members:

Pete Burkheimer – wished all the members a Safe and Happy 4th of July.

ITEM 11 - Adjourn

MOTION: Pete Burkheimer motioned to adjourn.
SECOND: Wally Overman
DISCUSSION: None
OPPOSED: None
OUTCOME: Carried

The meeting was adjourned at 4:50 PM ET

Margaret Stauffer, Clerk to the Board
Dare County Airport Authority

**DARE COUNTY AIRPORT AUTHORITY
410 AIRPORT ROAD, MANTEO, NC
Wednesday, June 29, 2022
AGENDA**

4:00 PM CONVENE AUTHORITY FOR MONTHLY MEETING

ITEM 1 PUBLIC HEARING ON THE 2022-2023 AIRPORT BUDGET

ITEM 2 CONSIDERATION/APPROVAL 2022-2023 AIRPORT BUDGET

ITEM 3 PUBLIC COMMENTS

ITEM 4 ENGINEER'S REPORT

ITEM 5 ATTORNEY'S REPORT

ITEM 6 CHAIR'S REPORT

ITEM 7 DIRECTOR'S REPORT

ITEM 8 CONSENT AGENDA

- a. Approve Minutes – April 27, 2022**
- b. Approve Minutes – May 25, 2022**

ITEM 9 COMMITTEE REPORT

ITEM 10 COMMENTS FROM THE AUTHORITY MEMBERS

ITEM 11 ADJOURN

GUEST SIGN-IN SHEET

D.C.A.A. MEETING
June 29, 2022

NAME & ADDRESS

REPRESENTING

none

DARE COUNTY AIRPORT AUTHORITY
DARE COUNTY REGIONAL AIRPORT

BUDGET ORDINANCE 2022/2023

APPROVED 06/29/2022



410 AIRPORT ROAD
MANTEO, NC 27954

**DARE COUNTY AIRPORT AUTHORITY
DARE COUNTY REGIONAL AIRPORT
FISCAL YEAR 2022-2023 BUDGET ORDINANCE**

Be it ordained by the Dare County Airport Authority of Dare County, North Carolina:

SECTION 1. The following amounts are hereby appropriated in the Operations Fund for the operation of the Dare County Regional Airport and its activities for the fiscal year beginning July 1, 2022, and ending June 30, 2023 in accordance with the Chart of Accounts heretofore established for the Airport:

Operations Fund	<u>\$3,341,674.00</u>
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SECTION 2. It is estimated that the following revenues will be available in the Operations Fund for the fiscal year beginning July 1, 2022, and ending June 30, 2023:

Auto Rental	\$100,000.00
Hangar Rental	\$290,000.00
Tie Down Fees	\$3,000.00
Landing Fees	\$25,000.00
Land and Building Rentals	\$180,000.00
Vehicle Parking Leases	\$9,000.00
Operation License Agreements	\$12,000.00
Other Charges for Services	\$500.00
Souvenirs	\$8,000.00
After Hours Fuel Service	\$8,000.00
Interest on Investments	\$10,000.00
Miscellaneous	\$15,000.00
Av Gas Sales	\$780,000.00
Jet A Sales	\$1,000,000.00
Auto Fuel Sales	\$3,500.00
Oil Sales	\$3,000.00
Pilot Supplies	\$100.00
Vending	\$300.00
Transfer from Primary Government	<u>\$894,274.00</u>
Total Estimated Revenues	<u><u>\$3,341,674.00</u></u>

SECTION 3. The following amounts are hereby appropriated in the Cemetery fund for the operation of the Roanoke Island Memorial Gardens Cemetery (RIMG) and its activities for the fiscal year beginning July 1, 2022, and ending June 30, 2023, in accordance with the Chart of Accounts heretofore established for the Cemetery:

Cemetery Fund \$28,500

SECTION 4. It is estimated that the following revenues will be available in the Cemetery Fund for the fiscal year beginning July 1, 2022, and ending June 30, 2023.

Interest-Other Agencies	\$2,000
Grave Site – Plot Sales	\$2,000
Mausoleum – Crypt Sales	\$2,000
Mausoleum- Niche Sales	\$2,000
Rental Income - Houses	\$20,400
Recording Fees	<u>\$100</u>

SECTION 5. The Airport Director is authorized to submit budget amendments to the County Finance Director without prior written approval of the Airport Authority in amounts that do not exceed \$20,000 per line item. For items over \$10,000, the Director must get verbal confirmation from the Dare County Airport Authority’s Chairperson or Vice-Chairperson. The Director shall report such budget amendments to the Dare County Airport Authority no later than the next regularly-scheduled meeting (sooner if possible). Any budget amendments beyond \$20,000 must be submitted to the Airport Authority for approval.

SECTION 6. Airport Director's Authority for Expenditures and Execution of Agreements:

a. The Director's annual (fiscal year) expenditure authority for line items in the budget shall not exceed the following without further approval from the Airport Authority:

- (1) For line items of \$20,000 or less of the budgeted line items; or
- (2) For line items exceeding \$20,000, of the budgeted line item.

b. The Airport Director is hereby authorized to execute the necessary agreements for a term of one (1) year or less, to receive or expend funds for the following purposes without further approval from the Airport Authority, as long as any agreements requiring the expenditure of funds are pre-audited and pertain to expenditures included as line items in the budget and are within the limits stated in Subsection (a) of this Section:

- (1) Grant agreements to public and non-profit organizations;
- (2) Leases of normal and routine business equipment;
- (3) Leases with tenants of rental property and hangars owned by the Dare County Airport Authority;
- (4) Consultant, professional, or maintenance service agreements;
- (5) Purchase of apparatus, supplies, materials, or equipment where formal bids are not required by law;

- (6) Agreements for acceptance of state, federal, public, and non-profit organization grant funds, and funds from other governmental units for services to be rendered;
- (7) Construction or repair work where formal bids are not required by law; (Article 8, Chapter 143 of the N. C. G. S., (GS143-129 and GS 143-131)) and
- (8) Liability, casualty, property or other insurance or retention and faithful performance bonds.

c. The limitations specified in Subsections (a) and (b) of this Section may be waived provided there is urgent need to expend the funds prior to the next regularly scheduled meeting of the Dare County Airport Authority, and or commit grant funding provided the waiver is approved by the Chair of the Dare County Airport Authority or another member specifically granted this authority by the Chair. Such approval may be given orally, telephonically, or by electronic mail provided written confirmation is provided as quickly as practicable. The Chair or other authorized member shall notify all members of the Dare County Airport Authority of each such waiver as quickly as practicable.

SECTION 7. Fuel prices will be determined as follows:

- a. The Airport Director has the authority to set aviation fuel prices within the parameters listed below:
 - (1) Charge no less than \$0.90 above cost for fuel service Av Gas and \$0.40 above cost for self- service Av Gas with exceptions to our commercial vendors, Wright Flight and special events and for Jet Fuel to charge no less than \$1.20 above cost with exceptions to EMS and special events.
 - (2) Attempt to reasonably keep prices competitive with local surrounding aviation facilities without incurring financial loss.
 - (3) In General not to charge more than \$2.00 above cost for either Av Gas or Jet A regardless of preceding factors 7(a) 1-3.

SECTION 8. The Airport Director shall have the authority to pay or remunerate airport employee(s) bonuses and raises in addition to salary adjustment for merit for special circumstances. The amounts of these bonuses or raises shall be warranted, at the Airport Director's discretion and not exceed the Airport Director's budgetary spending limits identified in sections 5 and 6 of this ordinance. Prior to allotting said bonuses or raises, the Airport Director shall get the expressed approval from the Dare County Airport Authority (DCAA) and appropriate documentation coordinated on or signed by the Chairperson or any designated member of the Dare County Airport Authority.

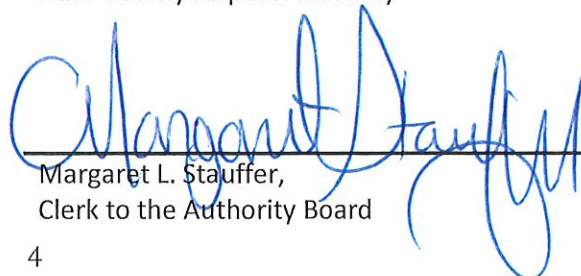
SECTION 9. Schedule of Fees are established and approved as part of this ordinance. See the Fees Rates and Charges Schedule for a detailed listing.

SECTION 10. Copies of this Budget Ordinance shall be furnished to the Clerk of the Airport Authority and the Budget Officer and Finance Officer to be kept on file by them for their direction in the disbursement of funds.

Adopted this 29 day of June, 2022.



Charlie Davidson, Chair
Dare County Airport Authority



Margaret L. Stauffer,
Clerk to the Authority Board

FEE SCHEDULE

Adopted on May 25, 2022

HANGARS

1 – 1,700 Sq. Feet

2008 T- HANGARS	\$330.00
1994 T- HANGARS *	\$260.00
2001 T-HANGARS	\$320.00

1,701-5,000 Sq. Feet

1994 EXECUTIVE	\$450.00
2001 EXECUTIVE	\$450.00
CORPORATE 1	\$550.00
CORPORATE 2 & 3	\$550.00
CORPORATE 6 & 7	\$860.00
QUONSET *	2 tenants :\$330 each
	\$660.00

Over 5,001 Sq.

CORPORATE 5	\$1,530.00
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T-HANGAR

Daily	\$40.00
Weekly	\$200.00
Monthly	\$350.00

EXECUTIVE HANGAR

Daily	\$50.00
Weekly	\$250.00
Monthly	\$450.00

CORPORATE 1

Daily	\$75.00
Weekly	\$350.00
Monthly	\$900.00

CORPORATE 2

Daily	\$100.00
Weekly	\$420.00
Monthly	\$1,200.00

TIE DOWN FEES

SINGLE OR TWIN ENGINE (OVERNIGHT)	\$10.00
TURBO PROP & JET (OVERNIGHT)	\$15.00
Monthly	\$70.00

LANDING FEE (PER OCCURANCE)

CARGO/CHARTER	
Category I-II	\$35.00
Category III and up	\$50.00

SERVICE FEES

AIRPORT FEE	\$25.00
AIRCRAFT TOW (PER OCCURANCE)	
Category I and II	\$10.00
Category III and up	\$15.00
GROUND POWER UNIT (PER OCCURANCE)	
Start up only	\$25.00
Each 15 minutes- continuous use	\$25.00
CONFERENCE ROOM (CLEANING)	
Per day	\$25.00
VEHICLE PARKING	
Monthly	\$35.00
Yearly	\$350.00
FUEL FOW FEE (PRE-PURCHASED) X GALLON	\$0.30
TERMINAL OFFICE LEASE - YEARLY	\$250.00

COMMERCIAL FEES

All fees shall be paid as follows : half within 30 days of approval from Dare County Airport Authority and balance within 60 days. Fees shall run from January 1 to December 31. No discount for part of a year.

AIR TOUR(PER YEAR)	\$850.00
FLIGHT INSTRUCTION AND AIRCRAFT RENTAL(PER YEAR)	\$850.00
BANNER TOWING(PER YEAR)	\$850.00
CHARTER(PER PLANE)	\$850.00
SKY DIVING (PER YEAR)	\$850.00
PUBLIC MAINTENANCE	\$850.00
Per occurrence for off premise companies	\$75.00
CAR RENTAL BY DCRA STAFF (OF GROSS)	30.00%
CAR RENTAL OFF AIRPORT COMPANY	
Pick up or drop off	\$20.00
CAR RENTAL OTHER (BY CONTRACT)	20.00%

All commercial operators wanting to operate out of DCRA must make application and be approved by DCAA or its designee prior to operation.

GENERAL AVIATION & COMMUTER AIRCRAFT LISTING

CATEGORY I

Cessna- 140,150,170,172,175,177,180,182,185,195,205,206,207,210. Tri-pace, Colt, Commache, Cherokee, Pacer, Musketeer, Bonanza, Debonaire, Staggerwing, Mooney, Navion ,Belanca, Luscombe, Aeronca, Citabria, Stinson, Ercoupe, Hili-Courier, Rockwell Commander, Lance, Arrow, Sundowner, Yankee, Traveler, Small experimental

CATEGORY II

Cessna- All 300 and 400's, Aztec, Apachee, Navajo, Twin Comanche, Twin Bonanza, Duke, Travelaire, Baron, Duchess, Seminole, Seneca, Cougar, Aerostar, Geronimo, War Birds (fighters depending on size).

CATEGORY III

King Air, Twin Beech(D-18), Queenaire, Aero/Grand Commander, Cheyenne, Turbo-Commander, Conquest MU-2, Beechcraft 99, Metroliner, Volpar, Merlin, Caravan, Jetstream, Islander, Trislander.

CATEGORY IV

Lear, Citation, Jet-Commander, Saber-Liner, Hansa, Lodestar, DH-125, Westwind, Vickers, Starship, Diamond, Beech Jet, Falcon10, Astra.

CATEGORY V

Falcon 20, 200, 900, G-I, II, III,IV, Jetstar, DC-3, DH-8, Shorts, SAAB, Challenger, Twin Otter.

BUDGET MESSAGE AND HIGHLIGHTS

BUDGET MESSAGE:

To the Dare County Airport Authority:

I am pleased to submit the Dare County Regional Airport FY 2023 Annual Budget. The three following principles were used as a guide in developing the budget:

1. Take care of what we have: (Infrastructure, equipment and employees). The Airport mission can't be implemented if these basic tools of service are not in good working order. We will continue to address, repair, and take care of these assets.
2. Meet the current demand of established and /or new Airport Business: Identify specific services/facility improvements that will help the current demand while also planning for the future.
3. Promote safety while giving our customers the best Airport experience possible: The Airport staff is our greatest asset; therefore we will provide the necessary equipment and training for them to do their jobs as safe and efficient as possible.

The Airport fund provides for operations and maintenance of the Dare County Regional Airport. Revenues are derived from lease of land, buildings and structures, fuel sales, landing and tie down fees, parking fees, other Airport fees and County transfer. Major capital improvements required for the airport capacity and safety are funded through FAA grants (90% federal and 10% local). An acceptance of federal grants funds requires that all revenues generated by the use of Airport assets remain in the Airport Fund for operations and development.

I hope the board will find all the information necessary to thoroughly review and analyze the proposed budget. I believe the budget does a good job in holding the line on rate increases and also delivers much in the way of taking care of key infrastructure and equipment needs, as well as new purchases. Participation from the board, employees and public with recommendations will improve this budget. Please do not hesitate to contact me if you need additional information to help in your decision-making process.

Sincerely,



Stacy Ambrose
Airport Director

BUDGET PROCESS

The Airport operates under an annual budget ordinance adopted by the Board in accordance with the provisions of the N.C.G.S.159- Known as the Local Government Budget and Fiscal Control Act. The Airport Director is required to submit a balanced budget and the Airport Board must adopt the budget by July 1. A copy of the proposed budget is filed with the Airport clerk for public inspection and a public hearing is scheduled prior to the formal adoption of the budget. A budget is balanced when the sum of estimated net revenues is equal to appropriations. The fiscal year encompasses the period between July 1 and June 30.

The adopted budget document acts as a "work plan" and provides Dare County Airport Authority and management staff with a mechanism for evaluating budgetary and organizational performance.

BUDGET HIGHLIGHTS

- Desired capital projects include runway approach and RPZ clearing, land acquisition, and apron rehabilitation. The removal of approach and RPZ obstructions provides for safer conditions.
- Continued improvements to the Airport terminal, hangar facilities and equipment.
- The Airport is able to function with 8 full time employees, using external contractors in some areas to promote efficiency.

FUND 94- OPERATIONS

DARE COUNTY AIRPORT AUTHORITY

Account No.	Account Name	FY 20 Actual	FY 21 Actual	FY 22 Budget	FY 23 Recommended	FY 24 Projection
REVENUES						
943785	422216 CARES ACT Grant	0	69,000	0	0	0
943785	422270 10761 State Aid to Airport	0	0	0	0	0
	Total State Aid to Airport	0	69,000	0	0	0
943785	441070 10703 Auto rentals	66,908	98,743	90,000	100,000	100,000
943785	441071 Hangar Rentals	246,704	262,140	270,000	290,000	290,000
943785	441072 Tie Down Fees	2,925	1,840	3,000	3,000	3,000
943785	441073 Landing Fees	18,589	23,317	25,000	25,000	25,000
943785	441074 Land & Building Rentals	174,690	172,801	180,000	180,000	180,000
943785	441075 Vehicle Parking Fees	5,280	8,345	9,000	9,000	9,000
943785	441076 Operations Licenses	8,400	9,100	9,000	12,000	12,000
	Total Rents, fees, Licenses	523,496	576,286	586,000	619,000	619,000
943785	441085 Other Charges for Services	0	0	500	500	500
943785	441086 10703 Souvenirs	3,181	4,790	4,500	8,000	8,000
943785	441087 After Hours Fuel Service	5,300	7,650	8,000	8,000	8,000
943785	450100 Interest Income	76,387	2,257	10,000	10,000	10,000
943785	460100 Miscellaneous Revenues	4,839	38,699	54,000	15,000	15,000
943785	460200 Sale of Surplus Property	0	410	0	0	0
	Total other Fees	89,707	53,806	77,000	41,500	41,500
943785	466001 10703 Av Gas Sales	433,267	519,163	655,000	780,000	780,000
943785	466002 10703 Jet A Sales	576,949	617,640	735,000	1,000,000	1,000,000
943785	466003 10703 Auto Fuel Sales	1,468	2,207	3,000	3,500	3,500
943785	466004 Oil Sales	1,998	2,177	4,000	3,000	3,000
	Total Fuel & Oil Sales	1,013,682	1,141,187	1,397,000	1,786,500	1,786,500
943785	466005 Pilot Supplies	166	146	500	100	100
943785	466006 10703 Vending Sales	300	150	300	300	300
	Total other Sales	466	296	800	400	400
973785	499900 Appropriated Fund Bal.	0	0	0	0	0
943785	491003 Transfer - Primary Government	853,062	824,398	829,201	894,274	894,274
	Allotment *\$621,405 **\$622,776 *** 638,039, ****689,563	*	**	***	****	****
		853,062	824,398	829,201	894,274	894,274
	TOTAL REVENUES	2,480,414	2,664,973	2,890,001	3,341,674	3,341,674

DARE COUNTY AIRPORT AUTHORITY

Account No.	Account Name	FY 20 Actual	FY 21 Actual	FY 22 Budget	FY 23 Recommended	FY 24 Projection	
EXPENDITURES							
	<u>Number of employees 8</u>						
944785	500200	Salaries	373,577	376,834	378,195	409,000	409,000
944785	500202	Salaries- Board members	3,975	5,275	5,000	5,000	5,000
944785	500208	Salaries - On call	11,075	12,788	12,046	12,000	12,000
944785	500300	FICA	28,259	28,772	30,160	33,000	33,000
944785	500400	Retirement	35,552	40,665	44,527	52,000	52,000
944785	500500	Health Insurance	124,345	123,517	123,514	130,000	130,000
944785	500601	401K Empr Contribution-Reg.	0	0	0	11,700	11,700
944785	500700	Retiree Health Insurance	692	642	661	690	690
944785	500705	Pre-65 Health Insurance	23,694	33,163	35,141	28,000	28,000
944785	500900	Longevity	7,749	7,608	9,795	11,000	11,000
944785	501050	Salary Adjustment Merit	0	0	5,606	6,100	6,100
		Total Personnel Services	608,918	629,264	644,645	698,490	698,490
944785	510700	Contracted Services	207,800	203,873	295,000	270,000	270,000
944785	510900	Professional Service	17,438	16,802	25,000	25,000	25,000
944785	511100	Telephone & Postage	4,061	4,248	5,000	5,000	5,000
944785	511300	Utilities	29,575	30,547	30,000	30,000	30,000
944785	511500	Maintenance & Repairs Rentals	33,393	42,099	32,000	55,000	55,000
944785	511501	Maintenance & Repairs Equipment	11,908	20,373	30,000	50,000	50,000
944785	511502	Maintenance & Repairs Buildings	26,421	50,460	78,000	95,000	95,000
944785	511503	Maintenance & Repairs Vehicle	4,641	6,047	6,500	7,500	7,500
944785	511901	Credit Card Processing	28,764	33,285	35,000	40,000	40,000
944785	512102	Leases Copiers	1,042	991	2,000	2,000	2,000
944785	512103	Leases PC's	0	0	2,000	2,000	2,000
944785	513100	Fuel	6,564	4,546	6,000	7,500	7,500
944785	513300	Supplies	4,915	8,153	7,000	12,000	12,000
944785	513400	Museum Operation	0	0	500	1,500	1,500
944785	513500	Computer Software	828	2,041	9,500	1,500	1,500
944785	513600	Uniforms	1,638	637	2,500	2,500	2,500
		Total other Expenditures	378,989	424,101	566,000	606,500	606,500
944785	513701	10703 AV Gas	344,342	385,437	520,000	610,000	610,000
944785	513702	10703 Jet A	348,632	383,411	480,000	700,000	700,000
944785	513703	10703 Auto Fuel	215	982	2,500	3,500	3,500
944785	513704	10703 Oil	1,317	2,714	3,000	3,000	3,000
		Total Fuel and Oil Disbursement	694,506	772,544	1,005,500	1,316,500	1,316,500

Account No.	Account Name	FY 20 Actual	FY 21 Actual	FY 22 Budget	FY 23 Recommended	FY 24 Projection
944785	513705 10703 Pilot Supplies	290	143	500	500	500
944785	513708 10703 Auto Rentals	34,113	60,093	55,000	60,000	60,000
944785	513709 10703 Souvenirs	1,844	2,276	3,500	4,500	4,500
944785	516100 Shop Overhead	11,286	7,756	8,242	12,000	12,000
944785	525000 Training	655	80	4,000	5,684	5,684
944785	525100 Travel	8,520	1,860	10,000	10,000	10,000
944785	525200 Dues & Subscriptions	2,108	1,615	2,000	2,000	2,000
944785	525400 Insurance & Bonds	59,910	59,340	50,614	44,500	44,500
944785	525401 Insurance Airport	29,436	28,240	50,000	40,000	40,000
944785	525600 Advertising & Promotions	118	574	4,000	4,000	4,000
944785	525604 Marketing & Public Relations	5,779	5,501	10,000	11,000	11,000
944785	525620 Youth Aviation Day	392	0	4,000	3,000	3,000
944785	525710 Indirect Costs per CAP	112,590	116,220	118,000	143,000	143,000
944785	525730 Bad Debts	0	0	0	0	0
944785	537400 Capital Outlay	339,900	12,300	304,000	300,000	300,000
944785	539500 Depreciation	524,998	418,260.21	0	0	0
944785	548190 DS- Principal Property	0	0	0	0	0
944785	549190 DS-Interest Property	0	0	0	0	0
944785	550000 Contingency	0	0	50,000	80,000	80,000
944785	599500 10768 Capital Project Fund	0	0	0	0	0
	Total Other Expenditures	1,131,938	714,257	673,856	720,184	720,184
	TOTAL EXPENDITURES	2,814,351	2,540,167	2,890,001	3,341,674	3,341,674

FUND 96- CEMETERY

DARE COUNTY AIRPORT AUTHORITY

Account No.	Account Name	FY 20 Actual	FY 21 Actual	FY 22 Budget	FY 23 Recommended	FY 24 Projection	
REVENUES							
963785	450101	Interest- Other Agencies	5,795	171	2,000	2,000	2,000
963785	464501	Grave Sites- Plot	2,426	800	2,000	2,000	2,000
963785	464502	Mausoleum- Crypt	0	3,092	2,000	2,000	2,000
963785	464503	Mausoleum- Niche	1,500	2,300	2,000	2,000	2,000
963785	464510	Rental Income Houses	23,432	24,300	20,400	20,400	20,400
963785	464515	Recording Fees	78	156	100	100	100
TOTAL REVENUES			33,232	30,819	28,500	28,500	28,500
EXPENDITURES							
964785	511300	Utilities	423	552	1,000	1,000	1,000
964785	511502	Maintenance & Repairs Buildings	1,980	2,900	12,000	23,000	23,000
964785	511508	Maintenance & Repairs Yard	0	2,868	6,000	2,000	2,000
964785	511903	Recording Fees	0	239	100	100	100
964785	537400	Capital Outlay	0	0	9,400	2,400	2,400
TOTAL EXPENDITURES			2,403	6,558	28,500	28,500	28,500

Talbert & Bright Engineers Update

June 29, 2022

Runway 23 RPZ Land Acquisition

For property at 1099 and 1115 Driftwood Drive (City Beverage), as previously coordinated with the Airport Authority, TBI is continuing to coordinate with Bourne Appraisal for an update to the original appraisal for City Beverage Warehouse. An update to the small portion of the mini warehouse storage property is also needed. The cost for the updated appraisal for the portion of the mini warehouse site is \$3,500.

On October 20, 2021, an offer to purchase was made for 1133 Driftwood Drive (Roughton). Property owner was also provided with relocation assistance documentation on December 18, 2021. Mr. Roughton signed the offer to purchase on February 14, 2022. The Airport closed on the property on March 30, 2022. Reimbursement package has been submitted to NCDOT Division of Aviation to allow the airport to be reimbursed 100% for this acquisition.

Apron Pavement Rehabilitation

Hatchell Concrete is finalizing the punchlist items. The apron was placed into service Memorial Day weekend.

Airfield Lighting System Rehabilitation project

Design of the airfield lighting system rehabilitation project has commenced. The first submission to NCDOA was made in early June.

THIS COMMERCIAL LEASE AGREEMENT (this "Agreement" or this "Lease"), effective as of July 1, 2022 (the "Effective Date"), by and between the **DARE COUNTY AIRPORT AUTHORITY**, a body politic and corporate created under authority of the North Carolina General Assembly and a resolution of the Dare County Board Of Commissioners, P. O. Box 429, Manteo, NC 27954 ("DCAA"), and **THE VENABLE GROUP LLC**, a North Carolina limited liability company. Whose mailing address is 407 Airport Road, Manteo NC 27954 (the "TENANT").

Premises

- A. DCAA controls and operates the Dare County Regional Airport (hereinafter the "Airport") on behalf of the County of Dare.
- B. TENANT desires to lease a portion of the premises and improvements (hereinafter the "Premises") of said Airport for the uses and purposes hereinafter mentioned.

Agreement

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth and enumerated, the parties hereby agree as follows:

1. **Term of Lease.** The term of this Lease shall be for a period of one (1) year commencing at 8:00 AM ET on July 1, 2022 and terminating at 5:00 PM ET on June 30, 2023, unless terminated earlier as herein provided.
2. Intentionally omitted.
3. **Holdover by Tenant.** Should TENANT hold over and remain in possession of the Premises after the expiration of this Lease, it shall not be construed or deemed to be a renewal or extension of this Lease but shall only operate to create a month to month tenancy which may be terminated upon 30 days' prior written notice to TENANT.
4. **Description of Premises.** The Premises herein leased is described on the attached **Exhibit A**. Same is the "Transient Hangar" located on the Dare County Regional Airport. TENANT shall also have a nonexclusive right to use the common areas of the Airport.
5. **Relocation of Premises.** The DCAA may, in connection with the future development of the Airport, desire to relocate where the Premises is located. In such event, and with 60 days written notice from DCAA to TENANT, TENANT shall relocate

and move its facilities to another pre-existing facility on the Airport designated by DCAA in writing. Such facility shall be comparable in location, size, and quality as the Premises from which TENANT was moved.

6. **Tenant's Acceptance of Premises.** At the commencement of the term, TENANT shall accept the premises in its existing condition. No representation, statement, or warranty, express or implied, has been made by or on behalf of the DCAA as to such condition, or as to the use that may be made of such property. In no event shall the DCAA be liable for any defect in such property or for any limitation on its use.

7. **Rental.** TENANT agrees to pay rent to DCAA for the exclusive use of the Premises in the amount of \$29,340.00, payable in monthly installments of \$2,445.00 per month, notwithstanding the current or future fee schedule of the DCAA.

8. Intentionally omitted.

9. **Payments of Rental Installments.** Rental installments shall be delivered to the Airport Director on or before the first (1st) day of each month without any requirement for invoicing, billing, or notice from the DCAA.

10. **Late Payment Charge.** TENANT acknowledges that late payment to the DCAA of rent and other sums due hereunder will cause the DCAA 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 the DCAA or its designated agent within five (5) days after such amount is due, TENANT shall pay the DCAA a late charge equal to five percent (5%) of such overdue payment. The parties agree that such late charge represents a fair and reasonable estimate of the costs the DCAA will incur by reason of late payment by TENANT. The DCAA'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 the DCAA from exercising any other right or remedy granted hereunder.

11. **Reimbursement of Collection Expenses.** IF TENANT fails or refuses to pay rent or any additional charge or late fee hereunder and the DCAA institutes suit for its collection, TENANT shall reimburse the DCAA for all reasonable expenses incurred by the DCAA in connection therewith, including but not limited to attorney's fees not exceeding fifteen percent (15%) of the total amount due from TENANT.

12. **Improvements and Alterations.**

a. TENANT shall not alter or improve or cause to be altered or improved any portion of any structure on the Premises without prior written consent of the DCAA in each instance. Plans for any alterations and improvements shall be submitted to the DCAA at least forty-five (45) days prior to the proposed date of commencement of the alterations or improvements. If the DCAA fails to respond to such written request within forty-five (45) days after submission, the request shall be deemed to have been rejected by the DCAA.

b. TENANT shall bear the full and sole cost of all approved alterations and improvements made to the Premises:

- (1) Prior to occupancy by TENANT as to alterations and improvements made to TENANT's specifications; and
- (2) During the term of this Lease.

c. Major improvements to the Airport, the Transient Hangar, and the Premises including, but not limited to, restrooms, septic tank systems, offices, doors, decks, ramps, walkways, and sidewalks, shall become property of the DCAA and shall not be removed by TENANT despite the fact that TENANT paid for such major improvements. A "major improvement" is one which has been affixed or attached to the land or structure permanently and is regarded as part of the realty subject to the provisions below.

d. TENANT may at any time during the term of this Lease remove any signs, trade fixtures, and equipment it deems necessary and TENANT hereby agrees to repair at its sole expense any damage caused by such removal. "Major improvements" described in the preceding subparagraph shall not be considered "trade fixtures" or "equipment." Any improvements or alterations (to other than the "major improvements" specified in the preceding subparagraph) shall be deemed "trade fixtures" unless it is specified in a resolution of the DCAA approving the improvement or alteration that all or a portion of such improvements or alterations shall remain the property of the DCAA at the termination of this Lease. Any trade fixture or equipment not removed by TENANT at the termination of this Lease shall become the property of the DCAA, free of any and all claims of TENANT. In the case of "Major Improvements" constructed on the Premises, TENANT agrees that the work shall comply with Title III of the Americans with Disabilities Act of 1990, 42 U.S.C § 12101 et seq. (the "A.D.A.") and, on request of the DCAA, TENANT shall provide DCAA with evidence reasonably satisfactory to DCAA that the work was performed in compliance with the A.D.A. Furthermore, TENANT covenants and agrees that any and all future alterations or improvements made by TENANT to the Premises shall comply with the A.D.A.

13. Transient Aircraft Parking.

a. TENANT agrees to manage for DCAA the leasing of hangar space in the Premises to third parties. TENANT shall offer to third parties such space in the Premises for the transient parking and storage of aircraft as may be determined by TENANT. The parking and storage of third party aircraft shall be limited to transient parking (as defined under "Transient Hangar Lease" in Section 1.1(EE) of the Dare County Regional Airport Rules and Regulations) and the parking of aircraft for lease terms that do not exceed a month-to-month basis. TENANT may rent parking and storage space to third party aircraft owners on a non-transient basis on a month to month basis only and then only when the DCAA does not have hangar space available for lease by such aircraft owners.

b. TENANT shall manage such third party aircraft hangar parking and the collection of rental fees from such third parties. As a part of TENANT's management of the transient hangar for third party aircraft, TENANT shall have sole responsibility for moving aircraft in and out of the hangar in connection with transient parking and also in connection with maintenance performed by TENANT on aircraft. TENANT shall fully cooperate with DCAA personnel in accommodating transient aircraft. DCAA shall direct to TENANT all persons making inquiries to the DCAA for transient parking availability.

c. TENANT may retain all of the gross income received from such third parties for transient hangar rental and for all other parking and storage of aircraft owned by third parties. TENANT shall establish all hangar parking rental fees in its sole discretion.

d. Upon advance notice from the DCAA, TENANT shall use its best efforts to make space available in the Premises for special events (such as fly-ins and other congregation of aircraft) to be conducted at the Airport by the DCAA.

14. **Signage.** TENANT may erect and maintain such identification and advertising signage on the Airport if approved in writing by the DCAA prior to installation. All signage must comply with the Airport Rules and Regulations.

15. **Utilities.** TENANT shall provide its own water, sewer, electrical, lighting, heating, air conditioning, and telephone service, if desired, and shall pay any and all installation, use, and maintenance charges for services.

16. **Repairs and Maintenance.** TENANT shall perform such routine maintenance on the heating system located on the Premises as may be recommended by the manufacturer of the heating system, and DCAA shall provide any necessary capital repairs or replacements of the heating system to the extent not covered by the manufacturer's or installer's warranties. TENANT shall, at its sole expense, maintain and keep the Premises in good repair, and all other improvements, additions, and alterations thereon.

17. **Trash Disposal.** TENANT shall provide, install, maintain, and operate adequate trash receptacles to collect and retain trash. Such receptacle shall maintain a neat appearance at all times. TENANT shall remove said trash to a Dare County trash collecting facility at TENANT's sole expense. DCAA shall not be responsible for the collection or removal of trash or debris from the Premises.

18. **Taxes and Assessments.** TENANT shall be responsible for any taxes, including ad valorem taxes, imposed on the property of TENANT. TENANT shall be responsible for all privilege and license taxes of any kind required of TENANT for the operation of its business.

19. **Liens on Property.** If the TENANT alters or improves any portion of the Premises, the TENANT shall, at its own expense, cause to be discharged or released of record within 60 days after filing, all notices of mechanic's, materialmen's or laborer's liens filed with respect to such alteration or improvement on the premises, for work or material furnished, which discharge or release of record shall include a discharge or release by bond where, in the DCAA's opinion, such is deemed appropriate. Should TENANT fail to comply with any requirement on the TENANT's part to be performed as herein provided, within the time limit for such compliance, the DCAA may, but shall not be obligated to, cure the default, and TENANT agrees to pay to the DCAA the cost to the DCAA of curing any such default, including reasonable attorney's fees.

20. **Use of Premises.** TENANT shall not use the Premises for any purpose other than the purposes stated in this Section. TENANT shall use the Premises solely for the following purposes:

- a. Air Tour;
- b. Flight Instruction;
- c. Public Maintenance;
- d. Aircraft Charter;
- e. The leasing of Hangar Space under a "Transient Hangar Lease" as defined in Section 1.1(EE) of the Dare County Regional Airport Rules and Regulations; and
- f. The leasing of space to third parties for the parking or storage of aircraft on a non-transient basis on a month to month basis only and then only when the DCAA does not have hangar space available for lease by such aircraft owners.

21. **Nonexclusive Use.** This Lease does not provide any exclusive right to TENANT to provide commercial operation service(s) at the Airport. The DCAA specifically reserves the right to lease to and make agreements with other air transportation providers for such service to and from the Airport.

22. **Liability Insurance.** TENANT in its own name shall procure, maintain and pay the premiums on a policy or policies of comprehensive public liability insurance, which shall cover all of its operations and use of the Premises hereunder and shall be effective throughout the term of this lease. The limits of liability insurance for personal injuries and property damages shall be not less than \$1,000,000.00. Additional liability insurance may be required for commercial aviation activities as provided in any separate agreements between DCAA and TENANT, if applicable. Such insurance policy shall be in addition to any other policies maintained by TENANT as required under other leases with DCAA. All such insurance is subject to the following provisions:

- a. In all such insurance the word "Accident" shall be replaced by the word "Occurrence."

b. It shall contain a provision requiring the insurance carrier to give the DCAA ten (10) days prior written notice of any cancellation of such insurance, or any reduction in coverage, or any other major change in such insurance. TENANT shall provide to the DCAA a certificate of insurance providing same.

c. It must include airport liability insurance, including occurrence property damage. It must also include hangar keepers insurance.

d. In order to provide indemnification from liability created by acts of TENANT, it is agreed that the policies or certificates of liability insurance shall name as additional insureds the DCAA, its officers, agents and its employees.

e. It shall stipulate that such insurance will operate as the primary insurance and that no other insurance carried by the DCAA or other named insureds will be called upon to contribute to a loss covered thereunder.

f. TENANT shall not begin operating under the terms hereunder until after TENANT has filed with the DCAA a copy of each insurance policy and a certificate of insurance certifying that TENANT has obtained and is maintaining the insurance required hereunder.

g. Any failure by TENANT to maintain the required insurance shall be sufficient cause for termination by the DCAA of this Lease.

h. Approval of such insurance by the DCAA shall not relieve or decrease the extent to which TENANT may be held responsible for payment of damages resulting from its operations.

23. Fire and Casualty Insurance.

a. The DCAA shall carry fire and extended coverage insurance insuring the improvements constructed or owned by the DCAA in such amount as the DCAA shall deem appropriate. TENANT acknowledges that it has no rights or interests regarding such insurance or the proceeds derived therefrom, which proceeds shall solely belong to the DCAA.

b. TENANT shall carry such insurance against fire and other risks upon its contents and such improvements made by TENANT which are not intended to become fixtures of the Premises. The DCAA acknowledges that it has no rights or interests regarding such insurance or proceeds derived therefrom, which shall solely belong to TENANT.

24. Fire or Other Casualty Losses.

a. Should the Premises be damaged by fire or other casualty to the extent that same cannot be repaired or restored within 120 days from the date of such damage, this Lease shall thereupon terminate.

b. If the Premises shall be damaged by fire or other casualty to the extent that same can be repaired or restored with due diligence within 120 days of the date of such damage, the DCAA shall have the option to rebuild or terminate this Lease, exercised by notice to TENANT given not more than 30 days from the date of such damage. If the DCAA elects to repair or rebuild, within 120 days of such damage, the DCAA shall be responsible to repair or restore the improvements constructed by it or those defined as "major improvements" in the paragraph herein entitled "Improvements and Alterations," and the TENANT shall be responsible to repair or restore its own trade fixtures, equipment and personal property in or on the Premises. The DCAA shall promptly commence and diligently proceed with its restoration obligations hereunder. Rent shall be abated during the period in which the damage and restoration shall render the Premises unusable for TENANT's purposes.

25. **Assignment and Subletting.** Except as provided otherwise in **Section 13 ("Transient Aircraft Parking")** and **Section 20 ("Use of Premises")** of this Lease, TENANT may not assign, encumber, or transfer this Lease or any interest or benefit thereof or sublet the premises or any part thereof without the prior written consent of the DCAA in each instance. In the event this Lease is assigned or the premises sublet, with the consent of the DCAA, the assignee or sublessee shall be bound by the agreements and provisions herein contained, and TENANT shall remain bound for the fulfillment and performance of all agreements and provisions herein to be kept and performed by TENANT.

26. **Change of Control.** If TENANT is a corporation, partnership, limited partnership, limited liability company, or joint venture, TENANT shall notify the DCAA in advance of any proposed change in control of TENANT. "Change in control" means more than twenty-five percent (25%) of the right of control of TENANT is acquired by a person, entity, or group of persons acting in concert, none of whom already own or control twenty-five percent (25%) of the right of control of the TENANT. Such change in control shall be subject to acceptance by the DCAA, which such acceptance shall not be unreasonably withheld.

27. **Hazardous Waste.**

a. TENANT covenants that it shall not store, handle, treat, dispose of, discharge, or produce Hazardous Waste in the Buildings, except as permissible by applicable laws and the Airport Rules and Regulations. "Hazardous Waste" is defined as any waste, product, substance or material which is regulated or monitored by any federal, state or local law, ordinance, or governmental authority, including without limitation the United States Environmental Protection Agency, or any waste, product, substance or material whose use, storage, handling, treatment, disposal, discharge, or production is likewise regulated or monitored.

b. TENANT hereby agrees to indemnify, save, defend (at TENANT's cost and sole expense) and hold harmless DCAA and the officers, directors, agents, and employees of DCAA, and the successors and assigns of each of the foregoing (all

of such persons or entities being collectively referred to herein as "Indemnified Persons" and each such reference shall refer jointly and severally to each person), from and against the full amount of any and all Losses except as hereinafter specifically expected. "Losses" shall mean any and all liabilities, obligations, losses, damages, penalties, claims, actions, suits, costs, expenses and disbursements (including, but not limited to, all actual attorneys' fees and all other professional or consultants' expenses incurred in investigating, preparing for, serving as a witness in or defending against any action or proceeding whether actually commenced or threatened, which may be asserted against any Indemnified Person), arising from, in respect of, as a consequence of, or in connection with any of the following: (i) the removal of any Hazardous Material (as hereinafter defined) on, within or released from the Premises, whether such removal is done or completed by TENANT, DCAA, or any other person or entity and regardless of whether or not such removal is rendered pursuant to a court order or the order of an administrative agency; (ii) claims asserted by any person or entity (including, without limitation, any governmental agency or quasi-governmental authority, board, bureau, commission, department, instrumentality or public body, court, or administrative tribunal (a "Governmental Agency")), in connection with or in any way arising out of the presence, storage, use disposal, generation, transportation, or treatment of any Hazardous Material at, upon, or within the Premises, during the term of this Lease; (iii) the violation of any Environmental Laws (as hereinafter defined) in regard to the Premises, if such violation or claimed violation occurs during the term of this Lease or (iv) the preparation of an environmental audit on the Premises, whether conducted or authorized by TENANT, DCAA, or a third party or the implementation of any environmental audit's recommendations. DCAA may employ the attorneys and/or consultants of its choice. However, the foregoing shall not apply to losses resulting from Hazardous Materials brought onto the Premises by Indemnified Persons.

c. As used herein, the term "Environmental Laws" shall mean any local, state, or federal laws, rules, ordinances or regulations (including but not limited to the Airport Rules and Regulations) either in existence as of the date hereof, or enacted or promulgated after the date of this Agreement, that concern the existence, management, control, discharge, treatment, containment, and/or removal of substance or materials that are or may become a threat to public health or the environment; or any common law theory based on nuisance, trespass, negligence, strict liability, aiding and abetting or other tortious conduct.

28. **Airspace Rights Reserved.** The DCAA reserves unto itself, its successors and assigns, for the benefit of the public, a right of flight for the passage of aircraft in the air space above the surface of the real property herein described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace and for use of the said airspace for landing on, taking off from, or operating on the Airport.

29. **Reasonable Use.** The TENANT expressly agrees for itself, its successors or assigns to prevent any use of the above described real property which would

interfere with or adversely affect the maintenance of the Airport or otherwise constitute an airport hazard.

30. **Waste Prohibited.** The TENANT shall not commit or suffer to be committed any waste upon the said premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Airport tenant or guest.

31. **Compliance with Regulations.** TENANT shall, at its sole cost and expense, comply with all laws, rule, and regulations of the County of Dare, the State of North Carolina, the United States of America, and/or any agencies of said governments, as well as the Airport Rules and Regulations.

32. **Indemnification.** Except for claims arising out of acts caused by the affirmative negligence of the DCAA or its representatives, TENANT shall indemnify and defend the DCAA and the Premises, at TENANT's expense, against all claims, expenses, and liabilities arising from (a) the management of its business or any occurrence on or about the Premises or any adjoining part of the Airport facility, (b) any default by TENANT hereunder, or (c) any act of negligence by TENANT or its agents, contractors, employees, or licenses.

33. **Right of Entry.** TENANT shall permit the DCAA or its agents to enter upon the Premises at all reasonable times for the purpose of inspecting, repairing, exercising its rights under this Lease, or any other lawful purpose. This paragraph shall not be construed as creating or increasing the DCAA's obligations under this Lease.

34. **Force Majeure.** The DCAA shall not be liable for its failure to perform its obligations under this Lease or for any loss, injury, damage, or delay of any nature whatsoever resulting therefrom caused by any act of God, fire, war, or any other cause beyond the DCAA's control.

35. **Default.**

a. If TENANT shall fail to make a payment of rent, fees, or any other sum owing hereunder on the date same is due, such nonpayment shall constitute a default under the terms of this Lease. If payment of such overdue amount is not received by the DCAA by 5:00 P.M. on the thirtieth (30th) day after such payment is due, then this Lease (if the DCAA so elects) shall thereupon immediately become null and void without notice to TENANT, and the DCAA shall have the right to re-enter or repossess the Premises, and dispossess and remove therefrom the TENANT, or other occupants, and their effects, without waiving the DCAA's other legal remedies upon such default.

b. Any one or more of the following shall also constitute a default under the terms of this Lease:

(1) If proceedings are commenced against TENANT in any court under a Bankruptcy Code or for the appointment of a trustee or receiver of TENANT's property; or

(2) If TENANT shall conduct any operation, business, or activity on the Premises other than that which is allowed under the Section herein entitled "Use of Premises."

(3) If TENANT loses or fails to obtain any or all of its aviation permits and/or licenses from the FAA or other regulatory agencies; or

(4) If TENANT shall fail to perform any covenant, agreement, condition, rule or regulation herein contained or hereafter established.

(5) If TENANT abandons or vacates the Premises or fails to continuously operate its business from the Premises.

If a default under this subparagraph (b) on the part of TENANT shall continue for more than fifteen (15) days after written notice of such default by the DCAA, this Lease (if the DCAA so elects) shall thereupon become null and void, and the DCAA shall have the right to re-enter or repossess the Premises, and dispossess and remove therefrom the TENANT, or other occupants, and their effects, without waiving the DCAA's other legal remedies upon such default. This 15 day grace period after written notice shall not apply to a default in the payment of rent, fees, or any other sum owing hereunder as provided in subparagraph (a) above.

36. Cancellation by Tenant.

a. Providing that TENANT is then occupying the Premises and shall have well and faithfully performed all of its obligations pursuant to the Lease with no default under any of the terms thereof beyond any applicable cure period, TENANT shall have the option to terminate the Lease, upon the provision of sixty (60) days written notice to DCAA, delivered in person or by certified mail.

b. This Lease shall be subject to cancellation by TENANT by written notice to the Airport Director at any time after the happening of one or more of the following events, and this Lease shall terminate as of that date:

(1) The permanent abandonment of the Airport as an air transportation facility.

(2) The lawful assumption by the United States Government, or any authorized agency, thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as substantially to restrict TENANT from operating thereon for a period of at least ninety (90) days.

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

(4) The default by the DCAA in the performance of any covenant or agreement herein required to be performed by the DCAA (excluding any lawful action taken by the DCAA or its authorized agents affecting Airport operations), and the failure of the DCAA to remedy such default for a period of sixty (60) days after receipt from TENANT of written notice by registered mail to remedy the same.

37. **Relationship of Parties.** The relationship between the DCAA and TENANT shall always and only be that of landlord and tenant. TENANT shall never at any time during the term of this Lease become the agent of the DCAA, and the DCAA shall not be responsible for the acts and omissions of TENANT or TENANT's agents.

38. **Remedies Cumulative.** The rights and remedies of the DCAA with respect to any of the terms and conditions of this Lease shall be cumulative and not exclusive and shall be in addition to all other rights and remedies of the DCAA.

39. **No Waiver by DCAA.** No waiver of default by the DCAA of any of the terms, covenants or conditions hereof to be performed, kept and observed by TENANT shall be construed to be a waiver of any subsequent default. The performance of all or any part of this Lease by the DCAA for or during any period or periods after a default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by TENANT, shall not be deemed a waiver of any right on the part of the DCAA to cancel this Lease for a subsequent breach thereof.

40. **Use and Benefit of the Public.** TENANT agrees to operate the Premises leased for the use and benefit of the public:

a. To furnish good, prompt, and efficient services adequate to meet all reasonable demands for its service at the airport; and

b. To furnish said service on a fair, equal, and non-discriminatory basis to all users thereof; and

c. To charge fair, reasonable, and non-discriminatory prices for each unit of sale or service, provided that the TENANT may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchases.

41. **Non-Discrimination Assurances.**

a. TENANT for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the TENANT shall

maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

b. TENANT for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that TENANT shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

c. TENANT, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: No person on the grounds of gender or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, and that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of gender or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.

42. Tenant's Compliance with Laws and Regulations. TENANT, at its sole expense, shall comply with all laws, orders, and regulations of federal, state, and local authorities, and with any direction of any public officer, pursuant to law, which shall impose a duty upon the DCAA or TENANT regarding the Premises. TENANT, at its sole expense, shall obtain and maintain, in full force and effect, all licenses or permits which may be required for the conduct of its business within the terms of this Lease, or for the making of repairs, alterations, improvements, or additions, and the DCAA, when necessary, will join with TENANT in applying for all such permits or licenses. Specifically, TENANT covenants and agrees with the DCAA that TENANT shall meet all requirements and follow regulations and rules of the DCAA, the North Carolina Department of Transportation, Division of Aviation (herein "NCDA"), and the Federal Aviation Administration (herein "FAA"), and other aviation regulatory agencies.

43. Approval by FAA. Due to federal regulations, the FAA must approve all leases such as the one being entered into herein. The DCAA and TENANT agree that a condition subsequent of this Lease shall be approval of same by the FAA and any other regulatory agencies required to give approval. If approval is denied, this Lease is not terminated but shall be redrafted and resubmitted to the FAA for approval. If approval is denied a second time, this Lease is terminated immediately and any rent paid shall be prorated among the parties.

44. **Rights Nonexclusive.** It is expressly understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of exclusive rights of any landing area or air navigation facility within the meaning of Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C § 1349(a)), as amended.

45. **DCAA May Grant Other Leases.** The terms and conditions of this agreement shall not prevent the DCAA from executing leases with other Fixed Base Operators as well as the United States Army, United States Air Force, United States Navy, or other state or Federal agency pertaining to governmental flying and use of said Airport.

46. **Rights of FAA or Other Agencies.** It is agreed and understood between the parties that during the term of this Agreement, the FAA or any other Federal, State or local agency shall be permitted to enter said Premises and to make any improvements to or on said Airport.

47. **Tenant's Employment Responsibilities.** TENANT shall be responsible for and save the DCAA harmless from all wages, salaries or other benefits due TENANT's employees. TENANT shall also be solely responsible for the acquisition and payment of any goods and/or services used or performed by TENANT in the conduct of its business.

48. **Condemnation.** If the Premises, or any part thereof, is taken by eminent domain, the Lease shall expire on the date when the Premises shall be so taken, and the rent shall be apportioned as of that date. No part of any award shall belong to the TENANT.

49. **Surrender.** Upon the termination of this Lease, including any extension thereof, TENANT shall surrender the above-described Premises in as good condition as the Premises were in at the time of the initial occupancy thereof under this Lease or under any prior lease between DCAA and TENANT, except for reasonable use and wear and tear by the elements, or fire or other catastrophes not the fault of the TENANT.

50. **Suspension of Lease.** During time of war or national emergency, the DCAA shall have the right to lease the landing area or any part thereof to the United States Government for military use. If any such lease is executed, any provisions of this lease which are inconsistent with the provisions of the lease to the Government shall be suspended, provided that the term of this Lease shall be extended by the amount of the period of suspension.

51. **Governmental Agreements.** TENANT acknowledges that the DCAA intends from time to time hereafter to enter into agreements with the United States of America, and the State of North Carolina, and/or any of its Agencies regarding the application for funds for improvements to be made at the Airport, as required by statutes and by the rules and regulations of said agencies. This Lease is expressly made

subject to all of said agreements now existing or hereafter to be made.

52. **Reservation.** The DCAA reserves the right to charge any supplier of oils, gasolines, turbine fuel and lubricants, a fee for all products delivered to the Airport pursuant to rules and regulations of the DCAA.

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

54. **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.

55. **Notices.** Notices hereunder shall be effective and deemed given when deposited in the U. S. Mails, postage prepaid, registered or certified mail with return receipt requested, and addressed to the parties at their addresses shown on the first page 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.

56. **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.

57. **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.

58. **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.

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

60. **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.

61. **Prior Leases Superseded.** This Lease shall and does hereby supersede and replace in its entirety any prior lease agreement or prior lease amendment between the parties pertaining to the Premises.

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.

TENANT:

THE VENABLE GROUP LLC

BY: _____
Jason Stacy, President

NORTH CAROLINA
DARE COUNTY

I certify that the following person personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Jason Stacy, Manager of The Venable Group LLC.

Witness my hand and official stamp or seal, this ____ day of _____, 2022.

(AFFIX NOTARY SEAL)

Signature of Notary Public

My commission expires: _____

Typed or printed name of Notary Public

DCAA:

DARE COUNTY AIRPORT AUTHORITY

(AFFIX SEAL)

BY: _____
Stacy Ambrose, Airport Director

NORTH CAROLINA
DARE COUNTY

I certify that the following person personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: Stacy Ambrose, Airport Director.

Witness my hand and official stamp or seal, this ____ day of _____, 2022.

(AFFIX NOTARY SEAL)

Signature of Notary Public

My commission expires: _____

Typed or printed name of Notary Public

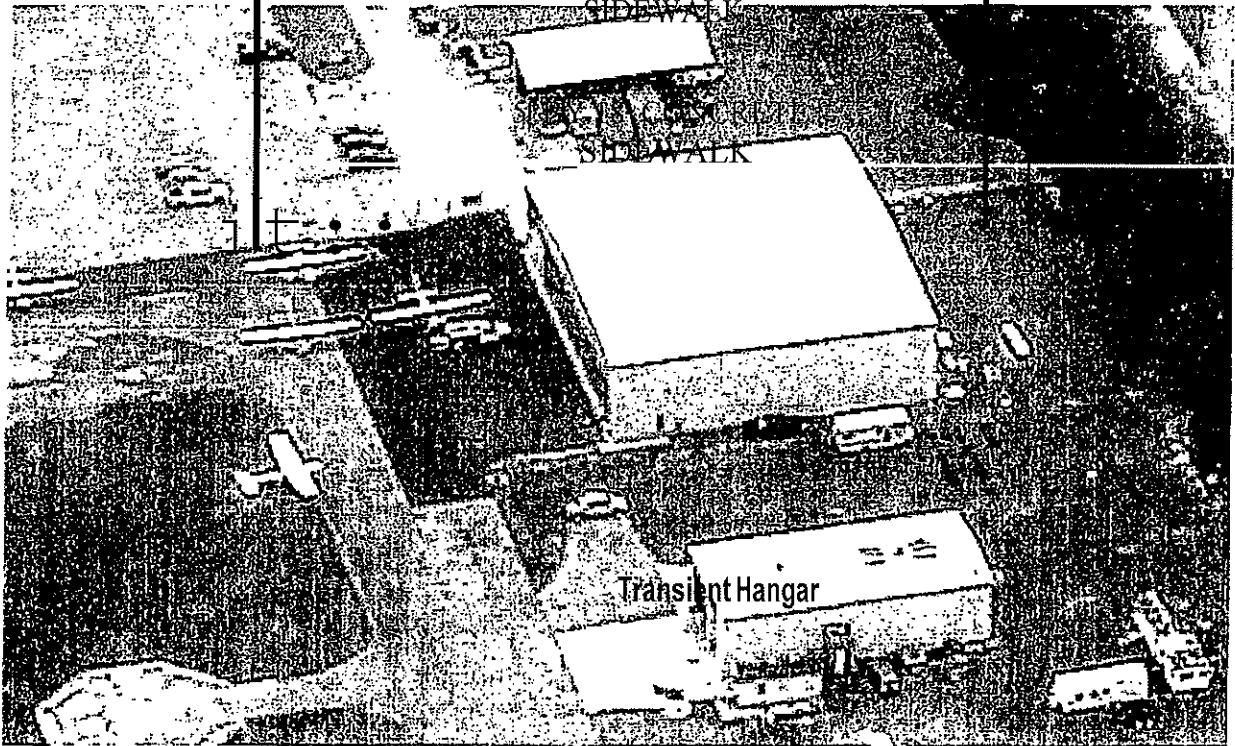
ATTACHMENT: EXHIBIT A DESCRIPTION OF PREMISES

EXHIBIT A
DESCRIPTION OF PREMISES

TRANSIENT HANGAR

120' BY 100'

5' BY 21" CONCRETE



NOTE: SECTIONS 1, 2 AND 3 MUST BE COMPLETED

NORTH CAROLINA
DARE COUNTY

Prepared by Robert B. Hobbs, Jr., Attorney
Form last revised June 29, 2022

THIS TERMINAL BUILDING OFFICE LEASE AGREEMENT (this "Lease"), made and entered into on _____, 20_____, by and between THE DARE COUNTY AIRPORT AUTHORITY, a body politic and corporate created under authority of the North Carolina General Assembly and a resolution of the Dare County Board of Commissioners, P. O. Box 429, Manteo, NC 27954(the "DCAA"), and _____
(the "TENANT"), whose mailing address is _____.

Recitals

A. The DCAA controls and operates the Dare County Regional Airport (hereinafter the "Airport") on behalf of the County of Dare.

B. The TENANT desires to lease a portion of Terminal Building located at the Airport (the "Premises") for the uses and purposes hereinafter mentioned.

Lease Agreement

NOW, THEREFORE, for and in consideration of the mutual promises and covenants hereinafter set forth and enumerated, the parties hereby agree as follows:

1. TERM OF LEASE. The term of this Lease shall be for **one (1) year**, commencing at 8:00 A.M. ET on _____, 20_____, and shall terminate at 11:00 A.M. ET on _____, 20_____, unless terminated earlier as herein provided.

2. RENTAL. TENANT agrees to pay rent to DCAA for the exclusive use of the Premises in the amount of \$_____ per month, which rental is subject to change from time to time by the DCAA in its sole discretion. TENANT shall be notified in writing of changes in rental at least thirty (30) days before the effective date of such change. Rental installments shall be delivered to the Airport Director on or before the first (1st) day of each month without any requirement for invoicing, billing, or notice from the DCAA.

3. DESCRIPTION OF PREMISES. The Premises herein leased is known and described as Office Space No. _____ located on the first floor of the Terminal Building of the Dare County Regional Airport (the "Premises"). TENANT shall also have a nonexclusive right to use the common areas of the Airport.

4. HOLDOVER BY TENANT. Should TENANT holdover and remain in possession of the Premises after the expiration of this Lease, it shall not be construed or deemed to be a renewal or extension of this Lease but shall only operate to create a month-to-month tenancy which may be terminated upon 30 days' prior written notice to TENANT.

5. TENANT'S ACCEPTANCE OF PREMISES. At the commencement of the term, TENANT shall accept the Premises in its existing condition. No representation, statement, or warranty, express or implied, has been made by or on behalf of the DCAA as to such condition, or as to the use that may be made of such property. In no event shall the DCAA be liable for any defect in such property or for any limitation on its use.

6. RELOCATION OF PREMISES. The DCAA may, in connection with the future development of the Airport, desire to relocate where the Premises is located. In such event, and with 60 days' written notice from DCAA to TENANT, TENANT shall relocate and move its facilities to another pre-existing facility on the Airport designated by DCAA in writing. Such facility shall be comparable in location, size, and quality as the Premises from which TENANT was moved.

7. LATE PAYMENT CHARGE. TENANT acknowledges that late payment to the DCAA of rent and other sums due hereunder will cause the DCAA 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 the DCAA or its designated agent within five (5) days after such amount is due, and if the DCAA elects not to terminate this Lease as provided in the section herein entitled "Default," TENANT shall pay the DCAA a late charge equal to five percent (5%) of such overdue payment. The parties agree that such late charge represents a fair and reasonable estimate of the costs the DCAA will incur by reason of late payment by TENANT. The DCAA'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 the DCAA from exercising any other right or remedy granted hereunder.

8. REIMBURSEMENT OF COLLECTION EXPENSES. IF TENANT fails or refuses to pay rent or any additional charge or late fee hereunder and the DCAA institutes suit for its collection, TENANT shall reimburse the DCAA for all reasonable expenses incurred by the DCAA in connection therewith, including but not limited to attorney's fees not exceeding fifteen percent (15%) of the total amount due from TENANT.

9. IMPROVEMENTS AND ALTERATIONS.

a. TENANT shall not alter or improve or cause to be altered or improved any portion of the Premises without prior written consent of the DCAA in each instance. Plans for any alterations and improvements shall be submitted to the DCAA at least forty-five (45) days prior to the proposed date of commencement of the alterations or improvements. If the DCAA fails to respond to such written request within forty-five (45) days after submission, the request shall be deemed to have been rejected by the DCAA.

b. TENANT shall bear the full and sole cost of all approved alterations and improvements made to the Premises prior to occupancy by TENANT as to alterations and improvements made to TENANT'S specifications, during the term of this Lease.

c. All approved Major Improvements to the Premises (other than signs, trade fixtures and equipment) shall not be removed by TENANT at the termination of this Lease despite the fact that TENANT paid for such improvements. Major Improvements consist of changes to the Premises of a permanent nature.

d. TENANT may at any time during the term of this Lease remove any signs, trade fixtures, and equipment it deems necessary, and TENANT hereby agrees to repair at its sole expense any damage caused by such removal. "Major Improvements" described in the preceding subparagraph shall not be considered "trade fixtures" or "equipment." Any improvements or alterations (to other than the "Major Improvements" specified in the preceding subparagraph) shall be deemed "trade fixtures" unless it

is specified in a resolution of the DCAA approving the improvement or alteration that all or a portion of such improvements or alterations shall remain the property of the DCAA at the termination of this Lease. Any trade fixture or equipment not removed by TENANT at the termination of this Lease shall become the property of the DCAA, free of any and all claims of TENANT.

10. SIGNAGE. The TENANT shall not erect, install or maintain any signage within the Premises or anywhere inside the Terminal Building. Any identification signage for Tenant shall be prepared, supplied and installed by the DCAA at such location as determined by the DCAA in the DCAA's sole discretion.

11. UTILITIES. DCAA shall provide electricity, lighting, heating and air conditioning to the premises. Water and sewer is available in the Terminal Building common areas. TENANT shall provide its own cleaning services, telephone service, and any other utility services.

12. REPAIRS AND MAINTENANCE. TENANT shall, at its sole expense, maintain and keep in good repair the Premises, and all improvements, additions, and alterations thereon.

13. TRASH DISPOSAL. TENANT shall provide, install, maintain, and operate adequate trash receptacles to collect and retain trash. Such receptacle shall maintain a neat appearance at all times. TENANT shall remove said trash to a Dare County trash collecting facility at TENANT's sole expense. DCAA shall not be responsible for the collection or removal of trash or debris from the Premises.

14. TAXES AND ASSESSMENTS. TENANT shall be responsible for any taxes, including ad valorem taxes, imposed on the personal property of TENANT maintained on the Premises.

15. LIENS ON PROPERTY. If the TENANT alters or improves any portion of the Premises, the TENANT shall, at its own expense, cause to be discharged or released of record within 60 days after filing, all notices of mechanic's, materialmen's or laborer's liens filed with respect to such alteration or improvement on the premises, for work or material furnished, which discharge or release of record shall include a discharge or release by bond where, in the DCAA's opinion, such is deemed appropriate. Should TENANT fail to comply with any requirement on the TENANT's part to be performed as herein provided, within the time limit for such compliance, the DCAA may, but shall not be obligated to, cure the default, and TENANT agrees to pay to the DCAA the cost to the DCAA of curing any such default, including reasonable attorney's fees.

16. USE OF PREMISES.

a. TENANT shall use the Premises only for office space in connection with TENANT's business as set forth in the separate Commercial Aviation Operation License Agreement entered into between TENANT and DCAA.

b. TENANT, and their pilots and employees, shall conduct all aspects of its business pursuant to the Rules and Regulations of the DCAA (the "Rules and Regulations"), including but not limited to Section 7.23 of the Rules and Regulations.

17. NONEXCLUSIVE USE. This Lease does not provide any exclusive right to TENANT to provide commercial operation service(s) at the Airport. The DCAA specifically reserves the right to lease to and make agreements with other air transportation providers for such service to and from the Airport.

18. LIABILITY INSURANCE. TENANT in its own name shall procure, maintain and pay the premiums on a policy or policies of comprehensive public liability insurance, which shall cover all of its operations and use of the Premises hereunder and shall be effective throughout the term of this lease. The limits of liability insurance for personal injuries and property damages shall be not less than \$1,000,000.00.

Additional liability insurance may be required for commercial aviation activities as provided in any separate agreements between DCAA and TENANT, if applicable. Such insurance policy shall be in addition to any other policies maintained by TENANT as required under other leases with DCAA. All such insurance is subject to the following provisions:

a. In all such insurance the word "Accident" shall be replaced by the word "Occurrence".

b. It shall contain a provision requiring the insurance carrier to give the DCAA ten (10) days prior written notice of any cancellation of such insurance, or any reduction in coverage, or any other major change in such insurance. TENANT shall provide to the DCAA a certificate of insurance providing same.

c. It must include airport liability insurance, including occurrence property damage.

d. In order to provide indemnification from liability created by acts of TENANT, it is agreed that the policies or certificates of liability insurance shall name as additional insureds the DCAA, its officers, agents and its employees.

e. It shall stipulate that such insurance will operate as the primary insurance and that no other insurance carried by the DCAA or other named insureds will be called upon to contribute to a loss covered thereunder.

f. TENANT shall not begin operating under the terms hereunder until after TENANT has filed with the DCAA a copy of each insurance policy and a certificate of insurance certifying that TENANT has obtained and is maintaining the insurance required hereunder.

g. Any failure by TENANT to maintain the required insurance shall be sufficient cause for termination by the DCAA of this Lease.

h. Approval of such insurance by the DCAA shall not relieve or decrease the extent to which TENANT may be held responsible for payment of damages resulting from its operations.

19. FIRE AND CASUALTY INSURANCE.

a. The DCAA shall carry fire and extended coverage insurance insuring the improvements constructed or owned by the DCAA in such amount as the DCAA shall deem appropriate. TENANT acknowledges that it has no rights or interests regarding such insurance, or the proceeds derived therefrom, which proceeds shall solely belong to the DCAA.

b. TENANT shall carry such insurance against fire and other risks upon its contents and such improvements made by TENANT which are not intended to become fixtures of the Premises. The DCAA acknowledges that it has no rights or interests regarding such insurance or proceeds derived therefrom, which shall solely belong to TENANT.

20. FIRE OR OTHER CASUALTY LOSSES.

a. Should the Premises be damaged by fire or other casualty to the extent that same cannot be repaired or restored within 120 days from the date of such damage, this Lease shall thereupon terminate.

b. If the Premises shall be damaged by fire or other casualty to the extent that same can be repaired or restored with due diligence within 120 days of the date of such damage, the DCAA shall have the option to rebuild or terminate this Lease, exercised by notice to TENANT given not more than 30 days from the date of such damage. If the DCAA elects to repair or rebuild, within 120 days of such damage, the DCAA shall be responsible to repair or restore the improvements constructed by it or those defined as "major improvements" in Section 10.c above, and the TENANT shall be responsible to repair or restore its own trade fixtures, equipment and personal property in or on the Premises. The DCAA shall promptly commence and diligently proceed with its restoration obligations hereunder. Rent shall be abated during the period in which the damage and restoration shall render the Premises unusable for TENANT's purposes.

21. ASSIGNMENT AND SUBLETTING. TENANT may not assign, encumber, or transfer this Lease or any interest or benefit thereof or sublet the premises or any part thereof without the prior written consent of the DCAA in each instance. In the event this Lease is assigned or the premises sublet, with the consent of the DCAA, the assignee or sublessee shall be bound by the agreements and provisions herein contained, and TENANT shall remain bound for the fulfillment and performance of all agreements and provisions herein to be kept and performed by TENANT.

22. CHANGE OF CONTROL. If TENANT is a corporation, partnership, limited partnership, limited liability company, or joint venture, TENANT shall notify the DCAA in advance of any proposed change in control of TENANT. "Change in control" means more than twenty-five percent (25%) of the right of control of TENANT is acquired by a person, entity, or group of persons acting in concert, none of whom already own or control twenty-five percent (25%) of the right of control of the TENANT. Such change in control shall be subject to acceptance by the DCAA, which such acceptance shall not be unreasonably withheld.

23. AIRSPACE RIGHTS RESERVED. The DCAA reserves unto itself, its successors and assigns, for the benefit of the public, a right of flight for the passage of aircraft in the air space above the surface of the real property herein described, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace and for use of the said airspace for landing on, taking off from, or operating on the Airport.

24. REASONABLE USE. The TENANT expressly agrees for itself, its successors or assigns to prevent any use of the above described real property which would interfere with or adversely affect the maintenance of the Airport or otherwise constitute an airport hazard.

25. WASTE PROHIBITED. The TENANT shall not commit or suffer to be committed any waste upon the said premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Airport tenant or guest.

26. COMPLIANCE WITH REGULATIONS. TENANT shall, at its sole cost and expense, comply with all laws, rule, and regulations of the County of Dare, the State of North Carolina, the United States of America, and/or any agencies of said governments, as well as the Rules and Regulations of the Airport.

27. INDEMNIFICATION. Except for claims arising out of acts caused by the affirmative negligence of the DCAA or its representatives, TENANT shall indemnify and defend the DCAA and the Premises, at TENANT's expense, against all claims, expenses, and liabilities arising from (a) the management of its business or any occurrence on or about the Premises or any adjoining part of the Airport facility, (b) any default by TENANT hereunder, or (c) any act of negligence by TENANT or its agents, contractors, employees, or licenses.

28. RIGHT OF ENTRY. TENANT shall permit the DCAA or its agents to enter upon the Premises at all reasonable times for the purpose of inspecting, repairing, exercising its rights under this Lease, or any other lawful purpose. This paragraph shall not be construed as creating or increasing the DCAA's obligations under this Lease.

29. FORCE MAJEURE. The DCAA shall not be liable for its failure to perform its obligations under this Lease or for any loss, injury, damage, or delay of any nature whatsoever resulting therefrom caused by any act of God, fire, war, or any other cause beyond the DCAA's control.

30. DEFAULT.

a. If TENANT shall fail to make a payment of rent, fees, or any other sum owing hereunder on the date same is due, such nonpayment shall constitute a default under the terms of this Lease. If payment of such overdue amount is not received by the DCAA by 5:00 P.M. on the fifth day after such payment is due, then this Lease (if the DCAA so elects) shall thereupon immediately become null and void without notice to TENANT, and the DCAA shall have the right to re-enter or repossess the Premises, and dispossess and remove therefrom the TENANT, or other occupants, and their effects, without waiving the DCAA's other legal remedies upon such default.

b. Any one or more of the following shall also constitute a default under the terms of this Lease:

(1) If proceedings are commenced against TENANT in any court under a Bankruptcy Code or for the appointment of a trustee or receiver of TENANT's property; or

(2) If TENANT shall conduct any operation, business, or activity on the Premises other than that which is allowed under the Section herein entitled "Use of Premises."

(3) If TENANT loses or fails to obtain or maintain any or all of its aviation or commercial operation permits and/or licenses from the FAA, the DCAA, or other regulatory agencies; or

(4) If TENANT shall fail to perform any covenant, agreement, condition, rule or regulation herein contained or hereafter established.

(5) If TENANT abandons or vacates the Premises, or fails to continuously operate its business from the Premises.

If a default under this subparagraph (b) on the part of TENANT shall continue for more than fifteen (15) days after written notice of such default by the DCAA, this Lease (if the DCAA so elects) shall thereupon become null and void, and the DCAA shall have the right to re-enter or repossess the Premises, and dispossess and remove therefrom the TENANT, or other occupants, and their effects, without waiving the DCAA's other legal remedies upon such default. This 15 day grace period after written notice shall not apply to a default in the payment of rent, fees, or any other sum owing hereunder as provided in subparagraph (a) above.

31. CANCELLATION BY TENANT.

a. This Lease shall be subject to cancellation by TENANT after the happening of one or more of the following events:

(1) The permanent abandonment of the Airport as an air transportation facility.

(2) The lawful assumption by the United States Government, or any authorized agency, thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as substantially to restrict TENANT from operating thereon for a period of at least ninety (90) days.

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

(4) The default by the DCAA in the performance of any covenant or agreement herein required to be performed by the DCAA (excluding any lawful action taken by the DCAA or its authorized agents affecting Airport operations), and the failure of the DCAA to remedy such default for a period of sixty (60) days after receipt from TENANT of written notice by registered mail to remedy the same.

b. TENANT may exercise such right of termination by written notice delivered by registered mail to the Airport Director at any time after the lapse of the applicable periods of time and this lease shall terminate as of that date.

32. RELATIONSHIP OF PARTIES. The relationship between the DCAA and TENANT shall always and only be that of Lessor and Lessee. TENANT shall never at any time during the term of this Lease become the agent of the DCAA, and the DCAA shall not be responsible for the acts and omissions of TENANT or TENANT's agents.

33. REMEDIES CUMULATIVE. The rights and remedies of the DCAA with respect to any of the terms and conditions of this Lease shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies of the DCAA.

34. NO WAIVER BY DCAA. No waiver of default by the DCAA of any of the terms, covenants or conditions hereof to be performed, kept and observed by TENANT shall be construed to be a waiver of any subsequent default. The performance of all or any part of this Lease by the DCAA for or during any period or periods after a default of any of the terms, covenants and conditions contained herein to be performed, kept and observed by TENANT, shall not be deemed a waiver of any right on the part of the DCAA to cancel this Lease for a subsequent breach thereof.

35. USE AND BENEFIT OF THE PUBLIC. TENANT agrees to operate the premises leased for the use and benefit of the public:

a. To furnish good, prompt, and efficient services adequate to meet all reasonable demands for its service at the airport; and

b. To furnish said service on a fair, equal, and non-discriminatory basis to all users thereof; and

c. To charge fair, reasonable, and non-discriminatory prices for each unit of sale or service, provided that the TENANT may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types of price reductions to volume purchases.

36. NON-DISCRIMINATION ASSURANCES.

a. TENANT for himself, his heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with

the land that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this Lease for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, the TENANT shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

b. TENANT for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that TENANT shall use the premises in compliance with all other requirements imposed by or pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

c. TENANT, for himself, his personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: (i) No person on the grounds of gender or disability shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, and (ii) that in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person on the grounds of gender or disability shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination.

37. TENANT'S COMPLIANCE WITH LAWS AND REGULATIONS. TENANT, at its sole expense, shall comply with all laws, orders, and regulations of federal, state, and local authorities, and with any direction of any public officer, pursuant to law, which shall impose a duty upon the DCAA or TENANT regarding the Premises. TENANT, at its sole expense, shall obtain and maintain, in full force and effect, all licenses or permits which may be required for the conduct of its business within the terms of this Lease, or for the making of repairs, alterations, improvements, or additions, and the DCAA, when necessary, will join with TENANT in applying for all such permits or licenses. Specifically, TENANT covenants and agrees with the DCAA that TENANT shall meet all requirements and follow regulations and rules of the DCAA, the North Carolina Division of Aviation (herein "NCDA"), and the Federal Aviation Administration (herein "FAA"), and other aviation regulatory agencies.

38. APPROVAL BY FAA. Due to federal regulations, the FAA must approve all leases such as the one being entered into herein. The DCAA and TENANT agree that a condition subsequent of this Lease shall be approval of same by the FAA and any other regulatory agencies required to give approval. If approval is denied, this Lease is not terminated but shall be redrafted and resubmitted to the FAA for approval. If approval is denied a second time, this Lease is terminated immediately and any rent paid shall be prorated among the parties.

39. RIGHTS NONEXCLUSIVE. It is expressly understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of exclusive rights of any landing area or air navigation facility within the meaning of Section 308(a) of the Federal Aviation Act of 1958 (49 U.S.C § 1349(a)), as amended.

40. DCAA MAY GRANT OTHER LEASES. The terms and conditions of this Lease shall not prevent the DCAA from executing leases with other Fixed Base Operators as well as the United States

Army, United States Air Force, United States Navy, or other state or Federal agency pertaining to governmental flying and use of said Airport.

41. RIGHTS OF FAA OR OTHER AGENCIES. It is agreed and understood between the parties that during the term of this Lease, the FAA or any other Federal, State or local agency shall be permitted to enter said Premises and to make any improvements to or on said Airport.

42. TENANT'S EMPLOYMENT RESPONSIBILITIES. TENANT shall be responsible for and save the DCAA harmless from all wages, salaries or other benefits due TENANT's employees. TENANT shall also be solely responsible for the acquisition and payment of any goods and/or services used or performed by TENANT in the conduct of its business.

43. CONDEMNATION. If the Premises, or any part thereof, is taken by eminent domain, the Lease shall expire on the date when the Premises shall be so taken, and the rent shall be apportioned as of that date. No part of any award shall belong to the TENANT.

44. SURRENDER. Upon the termination of this Lease, including any extension thereof, TENANT shall surrender the Premises in as good condition as the premises were in at the time of the initial occupancy thereof, except for reasonable use and wear and tear by the elements, or fire or other catastrophes not the fault of the TENANT.

45. SUSPENSION OF LEASE. During time of war or national emergency, the DCAA shall have the right to lease the landing area or any part thereof to the United States Government for military use. If any such lease is executed, any provisions of this lease which are inconsistent with the provisions of the lease to the Government shall be suspended, provided that the term of this Lease shall be extended by the amount of the period of suspension.

46. GOVERNMENTAL AGREEMENTS. TENANT acknowledges that the DCAA intends from time to time hereafter to enter into agreements with the United States of America, and the State of North Carolina, and/or any of its Agencies regarding the application for funds for improvements to be made at the Airport, as required by statutes and by the rules and regulations of said agencies. This Lease is expressly made subject to all of said agreements now existing or hereafter to be made.

47. RESERVATION. The DCAA reserves the right to charge any supplier of oils, gasolines, turbine fuel and lubricants, a fee for all products delivered to the Airport pursuant to rules and regulations of the DCAA.

48. APPLICABLE LAW. This Agreement shall be construed and interpreted under the laws of the State of North Carolina.

49. 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.

50. NOTICES. Notices hereunder shall be effective and deemed given when deposited in the U. S. Mails, postage prepaid, registered or certified mail with return receipt requested, and addressed to the parties at their addresses shown on the first page 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.

51. 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.

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

53. 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.

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

55. INVALID PROVISION. The invalidity or unenforceability for any reason of any particular provision or provisions of this Lease 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 Lease to be duly executed and delivered as of the day and year first above written.

TENANT:

Print name of Tenant

BY: _____(SEAL)
Signature

Print Name and Title: _____

DCAA:

DARE COUNTY AIRPORT AUTHORITY

BY: _____(SEAL)
Airport Director

