Tri-Cities Airport Authority Board Meeting
August 28, 2025, at 10:00 a.m.
In the TCAA Boardroom

AGENDA
Chair J. Parker Smith

1. **CONSIDER: Minutes from the June 26, 2025, TCAA Board Meeting**
2. **REPORT: Committee Updates**
3. **REPORT: New Service Marketing Plan**
4. **REPORT: Speedway Classic**
5. **CONSIDER: CUPPS Acquisition and Licensing Agreement - Award AeroCloud**
6. **CONSIDER: CUPPS Integration and Acceptance Testing Support Serv. - Award Meade & Hunt**
7. **CONSIDER: Concourse Gate Internet Installation - Award Tele-Optics, Inc.**
8. **CONSIDER: Airfield Painting Equipment Acquisition - Award Sherwin Industries, Inc.**
9. **CONSIDER: Maintenance Vehicle Gate Replacement - Award Ideal Manufacturing**
10. **CONSIDER: Nepotism Policy**
11. **CONSIDER: HB Strategies Proposal and Agreement**
12. **REPORT: Strategic Plan: Final Discussion - Objectives and Goals**
13. **REPORT: RFQ for FBO Maintenance Shop**

14. **STAFF REPORTS:**
    a. **Legal Counsel, Stephen Darden**
    b. **Director of Finance, Rachel Squibb**
    c. **Director of Marketing and Air Service, Trevor Rice**
    d. **Director of Business Development, Mark Canty**
    e. **Chief Operations Officer, David Jones**
    f. **President/CEO, Gene Cossey**

Lunch will be served following the meeting.

Tri-Cities Airport Authority Board Meeting
June 27, 2025, at 10:00 a.m.
Held in the TCAA Boardroom

Board Members	**Staff**	**Others**
Mr. Parker Smith, Chair	Gene Cossey	Stephen Darden - HS&D Attorney
Mr. Mark Ireson	David Jones	Jeff Riley - Kimley-Horn
Mr. Randall Eads	Mark Canty	Chris McCartt - City of Kingsport
Mr. Lewis Wexler	Trevor Rice	Clay Walker - NETWORKS
Mr. Ken Maness	Chris Stipo	Dan Martin - SP Parking
Mr. Dan Mahoney	Rebecca O'Quinn	Hank Somers - Aviation Initiative
Mr. Jeff Bedard	Kylie Toler	Allison Winters - Six Rivers Media
Mr. Ken Huffine		Richard Blevins - NESCC
Mr. Todd Hensley		John Rose - BRIDGE
Ms. Kelli Bourgeois		Mike McGaha - General Shell
Mr. Zane Vanover		Steve Johnson - Titian Aviation Fuels
		Tim Haskell - Hanson
		Mike Lloyd - Tri-City Aviation
		Pam Phillips - Tri-City Aviation

We a quorum present, the meeting was called to order at 10:02 a.m., by TCAA Chair Parker Smith.

The board member not in attendance was Ms. Cathy Ball

RECOGNITION:

Mr. Gene Cossey thanked Mr. Richard Blevins for all his hard work done with Northeast State Aviation. Gene and Mr. Parker Smith then recognized Dan Mahoney, Ken Maness, and Richard Venable for their years of service on the Airport Board.

CONSIDER: Minutes from April 24, 2025, TCAA Board Meeting

TCAA 06/26/2025 – 1 Upon a motion made by Mr. Mark Ireson and seconded by Mr. Todd Hensley, the following was adopted: BE IT RESOLVED the Minutes from April 24, 2025, TCAA Board Meeting was approved as presented.

The motion passed unanimously.

REPORT: Committee Updates

Mr. Mark Ireson gave a brief update on the last Economic Development Committee meeting then Mr. Ken Maness gave a brief update on the last Marketing and Air Service Development Meeting. Gene then stated that everything that was brought to the last Airfield Development Committee and Administration and Operations Committee is in today's meeting.

REPORT: Capital Improvement Plan – PowerPoint

Mr. Chris Stipo gave a PowerPoint presentation to show project updates to the Board.

REPORT: CUPPS and Airline Services Equipment Acquisition

The Airline Services Department handles the ground handling for Allegiant, Sun Country, and additional charters as needed. Airline Services is currently conducting training and acquiring equipment needed to transition into becoming future airport FBO staff. The local community has been gathering funds to help entice a new airline into starting service with the TCAA working towards acquiring new equipment and systems to support a new airline. The Airline Services Department may conduct ground handling for a new airline with most of the equipment needed having already been acquired in anticipation of the FBO transition. In the event of an announcement between the June and August board meetings, staff would need to acquire additional equipment and systems to support the new air service before seeking board approval. In the event of a new airline announcement, staff would acquire the equipment and systems needed to meet the airline's needs while retroactively seeking board approval at the August meeting.

CONSIDER: Appointment of Ken Maness to M&ASD Committee

Mr. Ken Maness has served as the Chair of the Marketing & Air Service Development Committee since the committee's restructuring and the revision of its bylaws. Throughout his tenure, Ken has demonstrated exceptional leadership and has been instrumental in guiding the committee's initiatives. Following the bylaw changes, non-board committee members now require formal approval by the Board. Ken's longstanding commitment to the airport, deep institutional knowledge, and marketing expertise make him a valuable asset to the committee moving forward.

TCAA 06/26/2025 – 2 Upon the motion made by Mr. Dan Mahoney, and seconded by Mr. Todd Hensley, the following was adopted: BE IT RESOLVED the appointment of Ken Maness to M&ASD Committee was accepted as presented.

The motion passed unanimously.

CONSIDER: Turtleson, LLC Foreign-Trade Zone Application

Turtleson, LLC is an apparel distributor with operations in Bristol, TN. Due to lack of sufficient domestic suppliers, much of their product is imported from Asia and/or Europe. Their imported merchandise often carries high Customs duty rates and FTZ designation will allow them to reduce supply-chain costs. Because the Tri-Cities Airport Authority (TCAA) is the Grantee of FTZ No.204, approval from the full TCAA Board is required by the FTZ Board and copy of the corresponding resolution must be submitted by TCAA to the FTZ Board along with Turtleson's application to designate their facility as a usage-driven FTZ site.

TCAA 06/26/2025 – 3 Upon a motion made by Mr. Mark Ireson and seconded by Mr. Lewis Wexler, the following was adopted: BE IT RESOLVED the Turtleson, LLC Foreign-Trade Zone Application was accepted as presented.

The motion passed unanimously.

CONSIDER: Tobacco use: Smoke-Free Policy

As part of our revision of our Employee Handbook, staff has reviewed the current Use of Tobacco Products Policy. TCAA has revised and expanded the current policy to include updates and expanding the policy to be in line with current industry and governmental standards.

TCAA 06/26/2025 – 4 Upon a motion made by Ms. Lewis Wexler, and seconded by Mr. Ken Maness, the following was adopted: BE IT RESOLVED the TCAA has approved the Tobacco use: Smoke-Free Policy as presented.

The motion passed unanimously.

CONSIDER: Procurement and Contracting Policy

The proposed update to the Procurement and Contracting policy addresses the purchase of aviation fuel for resale. As Tri-Cities Airport Authority (TCAA) begins Fixed Base Operations (FBO) operations, purchasing aviation fuel will become a routine and recurring expense that will exceed the President / CEO purchasing authority as established by the Procurement and Contracting Policy, approved December 16, 2021.

TCAA 06/26/2025 – 5 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Mark Ireson, the following as adopted: BE IT RESOLVED the Procurement and Contracting Policy was accepted as presented.

The motion passed unanimously.

CONSIDER: FY 2026 Rates and Charges- Airlines

Staff completed an update to the Airline Rates and Charges model for FY2026, incorporating data and statistics available through April 2025. Analysis of the updated model indicates that key allocable cost centers, specifically the airfield, apron, and terminal areas, are currently underfunded based on the most recent financial and operational data. As a result, adjustments to the existing Rates and Charges are recommended. These revised rates will be implemented for the period July 1, 2025, through June 30, 2026, and will apply to all scheduled passenger airlines, as well as non-scheduled charter and air cargo operations services Tri-Cities Airport.

TCAA 06/26/2025 – 6 Upon a motion made by Mr. Jeff Bedard and seconded by Mr. Ken Huffine, the following as adopted: BE IT RESOLVED the FY 2026 Rates and Charges – Airlines was accepted as presented.

The motion passed unanimously.

CONSIDER: Parking Rates and Adjustments

Parking fees provide 29% of the TCAA annual revenue and represent the largest nonaeronautical source of funds for the airport. As such, parking fees represent a vital means of funding the airport operations and maintenance without increasing costs to the airlines, which could have a drastic effect on the ability to maintain and attract new air service. Current parking rates were last adjusted in July of 2024, creating an increase then of $2 per day for the short-term lot and $1 per day for long-term lots. Due to operational issues with the short-term lot gate, all customers must enter through the long-term gate. We would like to propose a rate change to increase the long-term rate by $3, bringing the max per day rate to $13.00. We would continue this rate through the construction process and the installation of the new PARCS parking revenue collection system. We will reevaluate short-term and long-term rates after completion.

TCAA 06/26/2025 – 7 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Mark Ireson, the following as adopted: BE IT RESOLVED the Parking Rates and Adjustments was accepted as presented.

The motion passed unanimously.

CONSIDER: FY 2025 Projected Operating Results
FY 2026 Operating Budget

Based on forecasting results, the fiscal year ending June 30, 2025, appears to be another strong year for the TRI. The proposed FY 2026 operating budget has been built based upon the most current actual data and comparison to trends with an overall conservative approach. Total Revenues for FY 2026 are budgeted at a moderate 5% increase from the FY 2025 budget. The budget for total expenses increased by 9.4% over last year's budget. An increase in expenses is due to the addition of new positions and cost / pricing increases in the goods and services.

TCAA 06/26/2025 – 8 Upon a motion made by Mr. Ken Maness and seconded by Mr. Jeff Bedard, the following as adopted: BE IT RESOLVED the FY 2025 Projected Operating Results and FY 2026 Operating Budget was accepted as presented.

The motion passed unanimously.

CONSIDER: TCAA Personnel Compensation Program

It is the goal of the Tri-Cities Airport Authority to attract service-oriented employees, motivate and recognize individual performance, and retain the best qualified personnel to ensure the long-term success of the airport. Having experienced and dedicated employees has allowed the Airport Authority to hold down costs and remain flexible during unpredictable times in the airline industry. The Personnel Compensation Program provides an annual review of the following components: across-the-board adjustment, salary ranges, adjustments to reflect position responsibilities and market conditions.

TCAA 06/26/2025 – 9 Upon a motion made by Mr. Dan Mahoney and seconded by Mr. Ken Huffine, the following as adopted: BE IT RESOLVED the TCAA Personnel Compensation Program accepted as presented.

The motion passed unanimously.

CONSIDER: CEO Evaluation and Compensation

The Executive Committee met on June 12, 2025, to perform the annual evaluation of the President/CEO and to discuss recommendations for compensation adjustments. After a detailed discussion and evaluation of performance and upcoming expectations, the Executive Committee recommends the following adjustments to the President/CEOs compensation package: Increasing base salary by 4% to match across the board increase of all employees, A one-time award of 6% of employees' base salary for FY 2025, Retaining vehicle allowance and request an increase of $200 per month. Total vehicle allowance would be $1,200.00 per month.

TCAA 06/26/2025 – 10 Upon a motion made by Mr. Ken Huffine and seconded by Mr. Jeff Bedard, the following as adopted: BE IT RESOLVED the CEO Evaluation and Compensation was accepted as presented.

The motion passed unanimously.

CONSIDER: Hybrid FBO General Manager Contract

This Hybrid search contract with ADK will assist TCAA in the search for the FBO General Manager, they will develop a comprehensive and outstanding recruitment brochure that reflects the position. Other recommendations will be accepted as well and approved by Client. The brochure allows interested candidates to learn about the position. the Airport, and the requirements that establish TCAA's ideal candidate. The professional fee for the Hybrid Search performed under this contract is $28,660.00.

TCAA 06/26/2025 – 11 Upon a motion made by Mr. Jeff Bedard and seconded by Mr. Todd Hensley, the following as adopted: BE IT RESOLVED the ADK Hybrid Assist Agreement in the amount of $28,660 for the FBO General Manager was accepted as presented.

The motion passed unanimously.

CONSIDER: Fuel Supplier Agreement

In preparation for assuming all Fixed Base Operations responsibilities in early 2027, staff conducted a detailed search to establish a vendor relationship with an aviation fuel supplier. Staff members held multiple interviews and completed sight visits as well as reviewed formal proposals from several aviation fuel distribution companies. The final decision was to select for a ten-year fuel supply agreement Eastern Aviation Fuels, INC., dba Titan Aviation Fuels.

TCAA 06/26/2025 – 12 Upon a motion made by Mr. Dan Mahoney and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the Fuel Supplier Agreement was accepted as presented.

The motion passed unanimously.

CONSIDER: Terminal Apron Markings Rehabilitation – Award Remac Inc.

The terminal apron is where airlines park and operate their aircraft, with the markings serving as a guide for pilots and ground handling crews. Over the years the markings on the terminal apron have been repainted numerous times with multiple layers of paint accumulating, resulting in peeling. Painting over peeling markings significantly reduces the lifespan of new paint and many contractors will not warranty the work. The markings have reached the point where they will need to be fully removed before new paint can be applied. A Request for Bids (RFB) was advertised on the airport website for the removal of approximately 12,000 square feet of markings through water blasting, in addition to approximately 11,800 square feet of new markings being applied. One bid was received with Remac Inc. Asphalt Maintenance being the lowest and most responsive bid in the amount of $75,310.

TCAA 06/26/2025 – 13 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Jeff Bedard, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a purchase order to Remac Inc. Asphalt Maintenance for the Terminal Apron Markings Rehabilitation in the amount of $75,310.

The motion passed unanimously.

CONSIDER: Weather Monitoring System Agreement – Award DTN, LLC.

The Federal Aviation Administration (FAA) uses the standards contained in National Fire Protection Association 407 to provide a standard for the storage and delivery of aviation fuel in an airport environment. The airport has adopted these standards as the local fire code as outlined in the airport's FAA approved Airport Certification Manual. NFPA 407 4.1.10 Lightning states that "A written procedure shall be established to set the criteria for when and where fueling operations are to be suspended at each airport as approved by the fueling agent and the airport authority". The TCAA anticipates beginning fueling operations, separate from those offered by the FBO, within the next month, requiring the airport to develop a procedure. A radius system is being established that would result in different procedures depending on how far away the lightning strikes are from the airport. To assist with lightning tracking and notifications, staff demoed different weather monitoring products. DTN provided the best product to suit the airport's needs through their WeatherSentry platform and OnGuard siren alerting system. WeatherSentry allows for tracking of all types of weather, including lightning, and offers a custom alert option for all TCAA staff. OnGuard is a siren, powered through solar and connect through cell service, that allows personnel in the field to be alerted to hazardous weather without the need for a cell phone. The agreement consists of a one-time fee of $3,158 with subscription fees totaling $41,238 over a 36-month period, or $13,746 per year, for a total cost of $44,396.

TCAA 06/26/2025 – 14 Upon a motion made by Mr. Mark Ireson and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute a 36-month agreement with DTN, LLC for their WeatherSentry and OnGuard systems for a one-time fee of $3.158 and subscription fees totaling $41,238.

The motion passed unanimously.

CONSIDER: Airport Capital Improvement Program – FY25-FY29

The FY 2025 Capital Improvement Project's Budget has been updated to reflect capital projects approved throughout the fiscal year and project funding allocations planned by the end of the fiscal year. The budget reflects the most recent planning efforts for federal, state and other project funding grants. The FY 2026 Capital Improvement Project's Budget shows the initial plan for federal, state and other funding grants and anticipated airport capital fund expenditures for the next fiscal year. As year-end federal, state and other grant opportunities become finalized, it may be necessary to adjust these budgets accordingly.

TCAA 06/26/2025 – 15 Upon a motion made by Mr. Jeff Bedard and seconded by Mr. Dan Mahoney, the following as adopted: BE IT RESOLVED the Airport Capital Improvement Program – FY25-FY29 was accepted as presented.

The motion passed unanimously.

CONSIDER: Airfield Pavement Management System – Award Kimley-Horn

The FAA requires airports to periodically perform airfield pavement condition determinations to receive federal funding. Kimley-Horn prepared a Pavement Management System services agreement in accordance with the FAA's advisory circulars, codes and guidelines for all the airport's airfield pavements. The consultant services include historical pavement data collection, Pavement Condition Index (PCI), pavement condition analysis, establishing the final data reports for Paver 7.1 software, pavement classification rating determination, exhibits, updates to the airport's Form 5010 Master Record, maintenance planning and estimated capital construction costs for $98,686.

TCAA 06/26/2025 – 16 Upon a motion made by Mr. Lewis Wexler and seconded by Mr. Mark Ireson, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute the services agreement with Kimley-Horn in the amount of $98,686 for the Airport Pavement Management System project, pending final FAA grant application approval.

The motion passed unanimously.

After the vote Mr. Jeff Bedard had to leave and was not present for any following votes.

CONSIDER: Terminal/Concourse Connector Expansion – Award Comsa Construction

The airport completed the Airport Terminal Program (ATP) design/bid services to expand the passenger checkpoint connector between the terminal and concourse areas. The project advertised with two bids received June 18, 2025, with Comsa Construction, Inc submitting the lowest bid in the amount of $9,434,600. The project includes structural demolition on two levels, new mechanical, electrical, roofing, flooring, finishes and access control systems. Kimley-Horn reviewed the bids and recommend Comsa Construction, Inc. for the construction project. The project will be funded using federal BIL/ATP/AIP grant funds along with airport and future PFC # 11 funds.

TCAA 06/26/2025 – 17 Upon a motion made by Mr. Ken Maness and seconded by Mr. Todd Hensley, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute the construction contract with Comsa Construction, Inc. in the amount of $9,434,600 for the Terminal/Concourse Connector Expansion, pending final FAA grant applications approval.

The motion passed unanimously.

After the vote Mr. Jeff Bedard had to leave and was not present for any following votes.

CONSIDER: Terminal/Concourse Connector Checkpoint Expansion – Award Kimley-Horn

The airport completed the Airport Terminal Program (ATP) design/bid services to expand the passenger checkpoint connector between the terminal and concourse areas. The project was advertised with bids received June 18, 2025. Kimley-Horn prepared a construction administration scope of services to perform architectural, structural, civil and mechanical sub-consulting services, attend pre-construction and progress meetings, provide on-site RPR services, pay application analysis, project documentation and as-built close out coordination with funding agencies for $ 557,824. Airport staff and Kimley-Horn will finalize the grant funding application process with the FAA, prior to executing the service agreement. The project will be funded using federal BIL/ATP/AIP grant funds, future PFC and airport funds.

TCAA 06/26/2025 – 18 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Ken Huffine, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute the construction administration services agreement with Kimley-Horn in the amount of $557, 824 for the Terminal/Concourse – Passenger Checkpoint Improvements project, pending final FAA grant applications approval.

The motion passed unanimously.

CONSIDER: TWY A Bank Slide Rehabilitation – Award Baker Construction

The airport's TWY A support bank along Highway 75 and Gammon Creek received an earth slide during the Hurricane Helene weather event, requiring rehabilitation. Kimley-Horn completed the design/bid documents, and the project was advertised with one bid received on June 11, 2025, from Baker Construction Services in the amount of $321,324.15. The project work scope includes establishing access to the work site, removal of the bank slide material, placement of geofabric, stone riprap and erosion controls. The FAA ADO was notified and provided guidance for the project's BIL/Airport Infrastructure Grant (AIG) FY25 grant funding up to an amount of and allowed the TWY R sinkhole repair to be included in the grant funding as well.

TCAA 06/26/2025 – 19 Upon a motion made by Mr. Mark Ireson and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute the TWY A bank Slide Rehabilitation project construction contracts with Baker Construction Services for $321,324.15, pending receipt of FAA grant.

The motion passed unanimously.

CONSIDER: Record management System (RMS) – Award Watson by DataDriven

The Tri-Cities Airport Public Safety Department currently follows various reporting procedures depending on the nature of each incident. At present, all reports are completed manually and stored in physical files. Additionally, the department does not have immediate access to OMV or criminal records databases. These limitations negatively impact operational efficiency and effectiveness. To address these challenges, the department is seeking to implement a digital records management system. DataDriven has submitted a proposal totaling $31,863.55 for the deployment of the "Watson" law enforcement digital records management system. This system will provide

state-certified digital reporting, real-time access to OMV and criminal records, and FBI-certified cloud-based data security. As part of the implementation, the airport will supply mobile phones, protective cases, and thermal printers to support the use of the new system in the field.

TCAA 06/26/2025 – 20 Upon a motion made by Mr. Mark Ireson and seconded by Mr. Lewis Wexler, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute the Watson by DataDriven, Public Safety Department – Record Management System (RMS) Agreement for a set up amount of $37,977.51 and a recurring annual amount of $11,424.55.

The motion passed unanimously.

CONSIDER: Concourse Gate 4 Passenger Boarding Bridge – Award Kimley-Horn

To accommodate passengers and future growth, the airport included a new Concourse Gate 4 Passenger Boarding Bridge in the approved Passenger Facility Charge (PFC 10) application. Kimley-Horn prepared a design/bid scope of services to perform the design/bid services to include design progress meetings with staff, data collection, design project management, air carrier apron field surveys, geotechnical investigations, FAA coordination with Form 7460 and ALP revisions, design and bid document preparation, bid review and recommendation for $139,220. The project will be funded using previously approved Passenger Facility Charge (PFC) funds.

TCAA 06/26/2025 – 21 Upon a motion made by Mr. Todd Hensley and seconded by Mr. Dan Mahoney, the following as adopted: BE IT RESOLVED the TCAA authorized the Chair to execute the design/bid services agreement with Kimley-Horn in the amount of $139,220 for the Concourse – Gate 4 Passenger Boarding Bridge project.

The motion passed unanimously.

CONSIDER: Consent Agenda Items

a. GA Box Hanger – Phase 2 – JA Street Change Order #5
b. Public Parking Lot Expansion – Summers-Taylor – Change Order #5
c. TWY A Extension, TWY C Removal West of TWY 23 and RWY 5 RSA Improv. – Summers-Taylor – Change Order #4
d. TWY R Pavement Rehab – Summers-Taylor Purchase Order
e. TWY R Pavement Rehab – Kimley-Horn Purchase Order

TCAA 06/26/2025 – 22 Upon the motion made by Mr. Todd Hensley, and seconded by Mr. Lewis Wexler, the following was adopted: BE IT RESOLVED the TCAA approved consent item ratifications.

The motion passed unanimously.

STAFF REPORTS:

Legal Counsel, Stephen Darden – He stated he had no update to give to the Board.

Director of Finance, Rachel Squibb –Ms. Rachel Squibb was unable to attend the meeting, so Mr. Gene Cossey gave the Finance Report. For fiscal year 2025 the most significant positive variant revenue categories, revenues greater than budgeted, continue to be Parking Revenues, Rental Car and Other Revenues. To summarize, actual results yielded Net Operating Income of $1,161,302 for the first ten months FY2025. This result exceeds the budgeted Net Operating Income amount by $760,553 expected for the period. Despite economic concerns and ongoing inflation, these strong financial results are encouraging. The overall net result appears reasonable and in line with statistics for the current year (FY 2025) versus last year (FY 2024).

Director of Marketing and Air Service, Trevor Rice – Mr. Trevor Rice presented our Airlines Schedules for July-November 2025 and how in the future our seat capacity looks like it will be increasing. He then spoke about how he gave a presentation about the Fly Local Campaign at the Aviation Festival Americans. He also attended the ACI-NA JumpStart Air Service Development Conference and got it meeting with 7 Airlines. Ms. Kylie Toler, the Marketing and Communications Specialist, then presented the April highlights on our social media platforms. She then spoke about how they got to connect with our passengers through the Mother's Day and Father's Day Giveaways and how it increased our email subscribers and followers over X, Facebook, and Instagram.

Director of Business Development, Mark Canty – He briefly discussed the FTZ lunch and Learn event that as held in May and how the response from that event has been positive. On June 10th, he participated in a walkthrough of Turtleson LLC's clothing distribution center located in Bristol, TN. The walkthrough is a required component of the FTZ activation phase, the purpose of which is so that Customs and Border Protection (CBP) can recommend physical security changes to a prospective user's facility or record-and-inventory- keeping practice changes. Because Turtleson's inventory tracking system is so advanced, relatively minor changes are all that we expect in CBP's assessment. He then discussed how he will be attending the NAFTZ Annual Conference in Kansas City in September and the NBAA-BACE in Las Vegas in October.

Chief Operations Officer, David Jones – He discussed the following with the Board:

FY 2023 CAPITAL PROJECTS

1. **Airport Master Plan Update Project (Professional Services)**
   Project Amount $ 1,432,847.00
   Estimated Project Percent Completion 80%
2. **Airport Terminal Public Adress System Improvements Project (Design/Bid)**
   Project Amount $ 141,070.00
   Estimated Project Percent Completion 80%

FY 2025 CAPITAL PROJECTS

1. **Airport - Public Parking Lot Expansion (Construction)**
   Project Amount $ 1,538,221.00
   Estimated Project Percent Completion 35%
2. **Airport - TWY A Extension, TWY C Removal West of RWY 23 and RWY 5 RSA Improvements (Construction)**
   Project Amount $ 7,375,279.00
   Estimated Project Percent Completion 35%
3. **Airport – General Aviation Box Hangar – Phase 2 (Construction)**

Project Amount	$ 2,497,855.00
Estimated Project Percent Completion	100%

4. **Airport – Rental Car QTA Facility - EV Charger Installation (Construction)**

Project Amount	$ 106,841.00
Estimated Project Percent Completion	100%

President/CEO, Gene Cossey – Mr. Cosey stated that he did not have anything specific to speak on that was not already spoke about. He thanked everyone for attending the meeting and Mr. Cossey and Mr. Parker Smith welcomed our newest Board Member, Mr. Zane Vanover.

The meeting was adjourned at 12:15 p.m.

Respectfully submitted,

_____
Parker Smith, TCAA Chair

_____
Randall Eads, TCAA Secretary/Treasurer

Minutes taken by: Gracie Beach
NOTE: The Minutes are intended to reflect the general account of the events of the meeting and are not a verbatim transcription.

Committee Updates

Verbal Reports

Tri-Cities Airport Authority
August 28, 2025

REPORT:
New Service Marketing Plan

Summary:

An update will be provided to the board covering the New Service Marketing Plan.

Submitted By: Trevor Rice
Director of Marketing and Air Service

Tri-Cities Airport Authority
August 28, 2025

REPORT:
Speedway Classic

Summary:

An update will be provided to the board covering how the airport handled the increased air traffic during the Speedway Classic.

Submitted By: Chris Stipo
Director of Operations

Tri-Cities Airport Authority
August 28, 2025

CONSIDER:
Common Use Passenger Processing System (CUPPS)
Award AeroCloud - Acquisition and Licensing Agreement

Summary:

A design/bid agreement with Mead & Hunt for CUPPS has previously been approved by the board. CUPPS helps promote a common use gate environment by giving an airline the ability to use any gate, maximizing capacity. Additionally, it simplifies the process a new airline would have to go through when starting service at the airport. A Request for Proposals (RFP) was advertised on the airport's website and in local newspapers for a vendor to supply necessary equipment for a cloud based system and provide a three-year licensing agreement. Three proposals were received on July 25, 2025 with AeroCloud submitting the highest ranked proposal. The project will be funded through a mix of future Passenger Facility Charge (PFC) funds and FY26, 27, and 28 Terminal Area Expenses, and the following is the funding plan.

CUPPS – Funding Plan

Airport Administration (Advertise/Legal)	$ 10,000.00
Construction Administration	$ 35,320.00
Concourse Gate Internet Installation	$ 71,267.25
AeroCloud One Time Costs	$106,233.49
CUPPS Annual License – Year 1	$ 35,000.00
CUPPS Annual License – Year 2	$ 35,000.00
CUPPS Annual License – Year 3	$ 37,100.00
Total Cost	$369,615.49

CUPPS – Funding Plan

Future PFC	$262,515.74
FY26 Terminal Area Expenses	$ 35,000.00
FY27 Terminal Area Expenses	$ 35,000.00
FY28 Terminal Area Expenses	$ 37,100.00
Total Cost	$369,615.49

The Tri-Cities Airport Authority's legal counsel will review the agreement with AeroCloud prior to execution.

Recommendation:

Authorize the Board Chair to execute an acquisition and licensing agreement with AeroCloud that includes one time costs of $106,233.49 and annual licensing cost over a three year period totaling $107,100.

Submitted By: Chris Stipo
Director of Operations

August 12, 2025

Chris Stipo
Tri-Cities Airport Authority
2525 Highway 75, Suite 301
Blountville, TN 37617

Subject: Common Use Implementation Project – Recommendation for Award of Contract

Dear Chris Stipo,

Mead & Hunt, Inc. has conducted a comprehensive Technical and Financial Evaluation of three vendor proposals submitted by:

- **AeroCloud Systems Inc.**
- **Embross USA Inc.**
- **SITA Information Networking Computing USA Inc.**

Based on our evaluation, Mead & Hunt recommends awarding the common use contract to:

AeroCloud Systems Inc.

Each proposal was assessed using a scoring metric based on various criteria, including:

- Understanding of scope
- Accuracy in submitting specific bid proposal forms/documents
- Airport experience of a similar size and scope
- Feedback from other Clients/Airports
- Ability of the solution to be expanded to accommodate future airport needs at TRI
- Implementation plan, including the personnel involved and the timeline to mee the project completion date of October 31, 2025

Additionally, costs were tabulated based on the Proposal Forms that were included as part of the Bid Documents provided to each Proposer.

A summary of the rankings for the Technical and Financial Evaluations are provided below.

GENERAL INFORMATION	VENDOR 1			VENDOR 2			VENDOR 3		
Vendor Name	AeroCloud Systems Inc.			Embross USA Inc.			SITA Information Networking Computing USA Inc.		
TECHNICAL INFORMATION	DESCRIPTION	POINTS		DESCRIPTION	POINTS		DESCRIPTION	POINTS	
1. GENERAL REQUIREMENTS	RESPONSE / COMMENTS	POSSIBLE POINTS	POINTS GIVEN	RESPONSE / COMMENTS	POSSIBLE POINTS	POINTS GIVEN	RESPONSE / COMMENTS	POSSIBLE POINTS	POINTS GIVEN
TOTAL (MAX. POINTS 10)		20	20		20	16		20	18
2. EXPERIENCE/COMPLIANCE/PRODUCT OFFERING	RESPONSE / COMMENTS	POSSIBLE POINTS	POINTS GIVEN	RESPONSE / COMMENTS	POSSIBLE POINTS	POINTS GIVEN	RESPONSE / COMMENTS	POSSIBLE POINTS	POINTS GIVEN
TOTAL (MAX. POINTS 40)		40	40		40	36		40	37
3. TECHNICAL REQUIREMENTS	RESPONSE / COMMENTS	POSSIBLE POINTS	POINTS GIVEN	RESPONSE / COMMENTS	POSSIBLE POINTS	POINTS GIVEN	RESPONSE / COMMENTS	POSSIBLE POINTS	POINTS GIVEN
TOTAL (MAX. POINTS 40)		40	40		40	38		40	38
TOTAL OF SECTIONS 1, 2 AND 3		100	100		100	90		100	93
TECHNICAL RANKING	1			3			2		
FINANCIAL INFORMATION	TOTAL PRICE			TOTAL PRICE			TOTAL PRICE		
1. Mobile CUPPS Workstation	$15,604.00			$31,621.00			$33,190.18		
2. Double Gate Counter with Two Workstations	$48,214.00			$36,341.96			$22,471.94		
3. Double Check-in Counter with Two Workstations	$26,678.00			$0.00			$18,346.78		
*4. CUPPS Licensing System Support and O&M Fees	$1,500.00			$3,406.89			$0.00		
5. OPEX Annual Recurring Costs - 3-Year Cloud Based Solution	$107,100.00			$204,887.43			$52,087.83		
6. Spare Maintenance Materials	$7,551.00			$3,510.00			$72,099.51		
TOTAL	$205,147.00			$276,360.39			$198,196.24		
FINANCIAL RANKING	2			3			1		

Given the minimal cost difference of $6,950.76 between AeroCloud Systems and SITA, we believe the technical component of relevant experience at airports of a similar scope and size, along with positive feedback from other airport clients (including BNA) who have implemented the AeroCloud solution, justifies our recommendation to award the contract to AeroCloud

Respectfully submitted,

MEAD & HUNT, INC.

Tim Schneiter
Project Manager

Jarrett Morgan
Vice-President

Attachment: Technical and Financial Evaluations

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Tri-Cities Airport Authority
Common Use Implementation Project
Tender Evaluation - TECHNICAL

Date: 8/1/2025

GENERAL INFORMATION	VENDOR 1			VENDOR 2			VENDOR 3		
Vendor Name	AeroCloud Systems Inc.			Embross USA Inc.			SITA Information Networking Computing USA Inc.		
Address	1201 N Orange Street Suite 7451 Wilmington, DE 19801-1186			650 S Atlanta Pkwy Atlanta, GA 30349			600 Galleria Parkway SE Atlanta, GA 30339		
Representative	Matthew Blakely			Alex Gerdts			Eric Ayim		
Telephone Number	(941) 226-8215			(305) 519-6413			(678) 296-0893		
Email Address	Matthew.Blakely@aerocloudsystems.com			alexg@embross.com			Eric.Ayim@sita.aero		
Website	www.aerocloudsystems.com			www.embross.com			www.sita.aero		
TECHNICAL INFORMATION	**DESCRIPTION**	**POINTS**		**DESCRIPTION**	**POINTS**		**DESCRIPTION**	**POINTS**	
1. GENERAL REQUIREMENTS	**RESPONSE / COMMENTS**	**POSSIBLE POINTS**	**POINTS GIVEN**	**RESPONSE / COMMENTS**	**POSSIBLE POINTS**	**POINTS GIVEN**	**RESPONSE / COMMENTS**	**POSSIBLE POINTS**	**POINTS GIVEN**
Bid was Received on Time	YES			YES			YES		
Acknowledgements by Bidder Form was Received and Signed	YES	4 Pts	4	YES - Actual form was not included but typed and signed	4 Pts	4	YES	4 Pts	4
Certification by Bidder was Received and Signed	YES	4 Pts	4	YES - Actual form was not included but typed and signed	4 Pts	4	YES	4 Pts	4
Bidder's Plan and Experience Questionnaire was Received	YES	4 Pts	4	YES - Actual form was not included but typed	4 Pts	4	YES - However, they did not include information about the status of uncompleted projects due to privacy issues	4 Pts	2
Price Proposal Form was Completed	YES	4 Pts	4	YES	4 Pts	4	YES	4 Pts	4
Drug-Free Workplace Affidavit was Received, Signed, and Notarized	YES	4 Pts	4	NO, stated that they would provide a written policy ahead of contract execution. Affidavit was not signed or notarized.	4 Pts	0	YES	4 Pts	4
TOTAL (MAX. POINTS 10)		**20**	**20**		**20**	**16**		**20**	**18**
2. EXPERIENCE/COMPLIANCE/PRODUCT OFFERING	**RESPONSE / COMMENTS**	**POSSIBLE POINTS**	**POINTS GIVEN**	**RESPONSE / COMMENTS**	**POSSIBLE POINTS**	**POINTS GIVEN**	**RESPONSE / COMMENTS**	**POSSIBLE POINTS**	**POINTS GIVEN**
Airport Experience in Tennessee	Nashville International Airport (BNA)- Supply, Implementation and Support of CUPPS, GMS and Dashboards	2	2	No	2	0	No	2	0

Airport Experience in the United States	AeroCloud has supplied, implemented and supported CUPPS in the USA at MSP, SBN, LTN, PSP and IND References that were provided for the past 3 years included Nashville International Airport (BNA), Bangor International Airport (BGR), and Luton Airport, England (LTN)	10	10	Embross has supplied, implemented and supported CUPPS in the USA at BWI, SAV, JAC, TOR, DFW, DTW, LAS, PIT, PDX, RDU, SFO, SEA, SWA References that were provided for the past 3 years included YEG (Canada), ABJ (Ivory Coast), SAV (Savannah, GA), JAC (Jackson Hole, WY)	10	10	SITA has supplied, implemented and supported CUPPS in the USA at References that were provided for the past 3 years included Gunnison-Crested Butte Regional Airport (GUC), Reno-Tahoe International Airport (RNO), Columbia Metropolitan Airport (CAE)	10	10
Project Understanding and Accuracy of Documentation	Vendor showed an understanding of the project including focus on timelines	8	8	Vendor showed an understanding of the project but included items that were omitted as part of Addendum 1. Did not include bid forms provided but retyped them.	8	6	Vendor showed an understanding of the project. Did not include requested information about uncompleted projects.	8	7
Scalability of Proposed Solution	CUPPS and other offered solutions are	8	8	CUPPS and other offered solutions are	8	8	CUPPS and other offered solutions are	8	8
CUSS, FIDS, RMS and AODB Service Offerings	CUPPS, CUSS, DCS, FIDS, RMS, AMS	8	8	CUPPS, CUSS, DCS, FIDS, RMS, AMS	8	8	CUPPS, CUSS, DCS, FIDS, RMS, LDCS	8	8
Compliance with IATA Standards	Yes	4	4	Yes	4	4	Yes	4	4
TOTAL (MAX. POINTS 40)		**40**	**40**		**40**	**36**		**40**	**37**
3. TECHNICAL REQUIREMENTS	**RESPONSE / COMMENTS**	**POSSIBLE POINTS**	**POINTS GIVEN**	**RESPONSE / COMMENTS**	**POSSIBLE POINTS**	**POINTS GIVEN**	**RESPONSE / COMMENTS**	**POSSIBLE POINTS**	**POINTS GIVEN**
Does the Proposed Solution Adhere to all Technical Requirements	Yes	6	6	Yes	6	6	Yes	6	6
Can the Solution Integrate with Existing Systems Currently Used by the Airport?	Yes, Including the Potential Implementation with the Existing FIDS Solution	6	6	Yes, Including the Potential Implementation with the Existing FIDS Solution	6	6	Yes, Including the Potential Implementation with the Existing FIDS Solution	6	6
Will the Vendor Utilize Subcontractors for the Installation?	No	6	6	No	6	6	Yes, Essintial Enterprise Solutions willprovide 2% of the work for the workstation installation. They are a staff augmentation based out of Pennsylvania	6	4
Has the Vendor Sufficently Described the System Implementation Process?	Yes, provided staffing information and bio's. Info provided was specific to TRI.	4	4	Yes, but did not provide any specific information about personnel. Info provided was generic and not specific of TRI.	4	2	Yes, provided staffing information and resumes. Info provided was specific to TRI.	4	4
Has the Vendor Sufficently Described its Plan for Airline/Airport Training?	Yes	4	4	Yes	4	4	Yes	4	4
Has the Vendor Sufficently Described its Service Level Agreement?	Yes	4	4	Yes	4	4	Yes	4	4
Can the Proposed Solution be Implemented by October 2025?	Yes	10	10	Yes	10	10	Yes	10	10
TOTAL (MAX. POINTS 40)		**40**	**40**		**40**	**38**		**40**	**38**
TOTAL OF SECTIONS 1, 2 AND 3		**100**	**100**		**100**	**90**		**100**	**93**
TECHNICAL RANKING	**1**			**3**			**2**		

Tri-Cities Airport Authority
Common Use Implementation Project
Tender Evaluation - FINANCIAL

Date: 8/1/2025

VENDOR 1	VENDOR 2	VENDOR 3
AeroCloud Systems Inc. 1201 N Orange Street Suite 7451 Wilmington, DE 19801-1186 Matthew Blakely (941) 226-8215 Matthew.Blakely@aerocloudsystems.com www.aerocloudsystems.com	Embross USA Inc. 650 S Atlanta Pkwy Atlanta, GA 30349 Alex Gerdts (305) 519-6413 alexg@embross.com www.embross.com	SITA Information Networking Computing USA Inc. 600 Galleria Parkway SE Atlanta, GA 30339 Eric Ayim (678) 296-0893 Eric.Ayim@sita.aero www.sita.aero

ITEM	DESCRIPTION	QTY	UNIT COST	TOTAL	ITEM	DESCRIPTION	QTY	UNIT COST	TOTAL	ITEM	DESCRIPTION	QTY	UNIT COST	TOTAL
1) MOBILE CUPPS WORKSTATION					**1) MOBILE CUPPS WORKSTATION**					**1) MOBILE CUPPS WORKSTATION**				
1	PC (Workstation) - Dell i5 - PC/Workstation (with Mouse & Keyboard)	2	$1,266.00	$2,532.00	1 & 10	SHUTTLE XH610 Intel Alder Lake-S Core i5 16GB, 512 GB SSD	2	$982.00	$1,964.00	1	CUTE-ON-Wheels (COW's) Carts - Ergotron	2	$11,486.43	$22,972.86
2	Monitor - 24" Dell	2	$307.00	$614.00	2 & 11	Lenovo Thinkvision E20-30	2	$123.00	$246.00	2	Elite Mini 800 G9 i714700T 16GB 256GB PC W11P, Wi-Fi and Mouse, 3 Years Warranty	2	$978.36	$1,956.72
3	Boarding Pass Printer - CUSTOM	2	$1,613.00	$3,226.00	3 & 12	DESKO Neptune Chrome MSR/OCR Keyboard	2	$492.00	$984.00	3	HP S3 Pro 322pf FHD MNTR US	2	$147.72	$295.44
4	Bag Tag Printers with Roller Kits - TK180 METAL RFID	2	$1,730.00	$3,460.00	4 & 13	CUSTOM TK180 Bag Tag RFID Printer	2	$1,264.00	$2,528.00	4	Access BGR 750-U-AD-Flat Bed Boarding Gate Reader - Angled Display (5 Yr Warranty)	2	$1,031.29	$2,062.58
5	Document Printer - Epson LX-350	2	$289.00	$578.00	5 & 14	CUSTOM TK180 Boarding Pass Printer	2	$649.00	$1,298.00	5	Fujitsu F9890C ATB NO LCD (5 Yr Waranty)	2	$680.64	$1,361.28
6	Passport Swipe Reader - Desko	2	$655.00	$1,310.00	6 & 15	DESKO Neptune Chrome MSR/OCR Keyboard (included in #3)	0	$0.00	$0.00	6	Fujitsu F9890C BTP NO LCD (5 Yr Warranty)	2	$1,194.03	$2,388.06
7	Barcode Scanner/BGR-Zebra	2	$542.00	$1,084.00	7 & 16	Honeywell Xenon 1950g	2	$366.00	$732.00	7	ACCESS AKB500-G-US-U-OM-0 Keyboard-Integrated OCR/MSR Keyboard with a USB Interface. USA Keyset Layout (5 Yr Warranty)	2	$598.21	$1,196.42
8	UPS-APC	2	$1,400.00	$2,800.00	8 & 17	HP Laserjet Pro 4001dn B/W Document Printer	0	$503.00	$0.00	8	PAX A35 Device (for agent desk) (Includes 1 Yr Warranty)	2	$478.41	$956.82
9	[BLANK]	0	$0.00	$0.00	9	Newcastle Mobile Workstation (Not Battery Powered)	2	$11,890.00	$23,780.00					
					18	HDMI Video Switcher	1	$89.00	$89.00					
			Sub-Total Mobile CUPPS Workstation	**$15,604.00**				**Sub-Total Mobile CUPPS Workstation**	**$31,621.00**				**Sub-Total Mobile CUPPS Workstation**	**$33,190.18**
2) DOUBLE GATE COUNTER WITH TWO CUPPS WORKSTATIONS					**2) DOUBLE GATE COUNTER WITH TWO CUPPS WORKSTATIONS**					**2) DOUBLE GATE COUNTER WITH TWO CUPPS WORKSTATIONS**				

10	PC (Workstation) - Dell i5 - PC/Workstation (with Mouse & Keyboard)	4	$1,266.00	$5,064.00	19	SHUTTLE XH610 Intel Alder Lake-S Core i5 16GB, 512 GB SSD	8	$982.00	$7,856.00	9	Workstation: Elite SFF 600 G9 i7 16GB 256GB Free DOS, No KBD/Mouse/VGA Adapter, Mouse, 3 Yr Warranty	4	$1,200.49	$4,801.96
11	Monitor - 24" Dell	4	$307.00	$1,228.00	20	Lenovo Thinkvision E20-30	8	$123.00	$984.00	10	Monitor: HP S3 Pro 322pf FHD Mntr	4	$147.72	$590.88
12	Boarding Pass Printer - CUSTOM	4	$1,613.00	$6,452.00	21	DESKO Neptune Chrome MSR/OCR Keyboard	8	$492.00	$3,936.00	11	ATB: Fujitsu F9890C ATB NO LCD (5 Yr Warranty)	4	$680.64	$2,722.56
13	Bag Tag Printers with Roller Kits - TK180 METAL RFID	4	$1,730.00	$6,920.00	22	CUSTOM TK180 Bag Tag RFID Printer	8	$1,264.00	$10,112.00	12	BTP w/ RFID: Fujitsu F9890C BTP NO LCD (5 Yr Warranty)	4	$1,194.03	$4,776.12
14	Barcode Scanner/BGR-Zebra	4	$542.00	$2,168.00	23	CUSTOM TK180 Boarding Pass Printer	8	$649.00	$5,192.00	13	DCP: HP LaserJet Pro 4001DN - USA	2	$574.39	$1,148.78
15	Document Printer - Epson LX-350	2	$289.00	$578.00	24	DESKO Neptune Chrome MSR/OCR Keyboard (Included in #21)	8	$0.00	$0.00	14	BGR: ACCESS BGR 750-U-AD-Flat Bed Boarding Gate Reader-Angled Display (5 Yr Warranty)	4	$1,031.29	$4,125.16
16	Passport Swipe Reader - Desko	4	$655.00	$2,620.00	25	Honeywell Xenon 1950g	8	$366.00	$2,928.00	15	Keyboard w/ MSR & OCR:ACCESS AKB500-G-US-U-OM-0 Keyboard-Integrated OCR/MSR Keyboard with a USB Interface. USA Keyset Layout (5 Yr	4	$598.21	$2,392.84
17	AeroCloud AEA Middleware	10	$120.00	$1,200.00	26	Brother HL-L2350DW	4	$503.00	$2,012.00	16	PAX A35 Device (for agent desk) (Includes 1 Yr Warranty)	4	$478.41	$1,913.64
18	Mobile Cart	2	$10,992.00	$21,984.00	26a	Desko BGR 504	4	$808.24	$3,232.96					
					27	HDMI Video Switcher	1	$89.00	$89.00					
			Sub-Total Gate Counters	$48,214.00				Sub-Total Gate Counters	$36,341.96				Sub-Total Gate Counters	$22,471.94
3) DOUBLE CHECK-IN COUNTER WITH TWO CUPPS WORKSTATIONS					**3) DOUBLE CHECK-IN COUNTER WITH TWO CUPPS WORKSTATIONS**					**3) DOUBLE CHECK-IN COUNTER WITH TWO CUPPS WORKSTATIONS**				
19	PC (Workstation) - Dell i5 - PC/Workstation (with Mouse & Keyboard)	4	$1,266.00	$5,064.00	INCLUDED ABOVE IN SECTION 2					17	Workstation: Elite SFF 600 G9 i7 16GB 256GB Free DOS, No KBD/Mouse/VGA Adapter, Mouse, 3 Yr Warranty	4	$1,200.49	$4,801.96
20	Monitor - 24" Dell	4	$307.00	$1,228.00						18	Monitor: HP S3 Pro 322pf FHD Mntr	4	$147.72	$590.88
21	Boarding Pass Printer - CUSTOM	4	$1,613.00	$6,452.00						19	ATB: Fujitsu F9890C ATB NO LCD (5 Yr Warranty)	4	$680.64	$2,722.56
22	Bag Tag Printers with Roller Kits - TK180 METAL RFID	4	$1,730.00	$6,920.00						20	BTP w/ RFID: Fujitsu F9890C BTP NO LCD (5 Yr Warranty)	4	$1,194.03	$4,776.12
23	Handscanner-Zebra	4	$542.00	$2,168.00						21	DCP: HP LaserJet Pro 4001DN - USA	2	$574.39	$1,148.78
24	Firewall	2	$524.00	$1,048.00						22	Keyboard w/ MSR & OCR:ACCESS AKB500-G-US-U-OM-0 Keyboard-Integrated OCR/MSR Keyboard with a USB Interface. USA Keyset Layout (5 Yr Warranty)	4	$598.21	$2,392.84
25	Document Printer - Epson LX-350	2	$289.00	$578.00						23	Payment Device: PAX A35 Device (For Agent Desk) (Includes 1 Yr Warranty)	4	$478.41	$1,913.64
26	Passport Swipe Reader - Desko	4	$655.00	$2,620.00										
27	Cables	10	$60.00	$600.00										
			Sub-Total Check-in Counters	$26,678.00				Sub-Total Check-in Counters	$0.00				Sub-Total Check-in Counters	$18,346.78
4) CUPPS LICENSING SYSTEM SUPPORT AND O&M FEES					**4) CUPPS LICENSING SYSTEM SUPPORT AND O&M FEES**					**4) CUPPS LICENSING SYSTEM SUPPORT AND O&M FEES**				
28	New Carrier Set Up Fees	1	$1,500.00	$0.00	28	New Carrier Set Up Fees	1	$3,406.89	$0.00	24	New Carrier Set Up Fees	0	$0.00	

	Sub-Total CUPPS Licensing System Support and O&M Fees			$0.00		Sub-Total CUPPS Licensing System Support and O&M Fees			$0.00		Sub-Total CUPPS Licensing System Support and O&M Fees			$0.00
5) OPEX ANNUAL RECURRING COSTS - 3 YEAR CLOUD BASED SOLUTION					**5) OPEX ANNUAL RECURRING COSTS - 3 YEAR CLOUD BASED SOLUTION**					**5) OPEX ANNUAL RECURRING COSTS - 3 YEAR CLOUD BASED SOLUTION**				
29	Annual License - Cloud Based CUPPS Solution - YEAR 1	1	$35,000.00	$35,000.00	29	Annual License - Cloud Based CUPPS Solution - YEAR 1	1	$7,750.00	$7,750.00	25	Annual License - Cloud Based CUPPS Solution - YEAR 1	1	$7,909.75	$7,909.75
30	Annual O&M Costs - YEAR 1	1	$0.00	$0.00	30	Annual O&M Costs - YEAR 1 - Including Project Management, Training, Installation, UAT, Shipping, Travel Expenses	1	$111,580.21	$111,580.21	26	Annual O&M Costs - YEAR 1	1	$9,452.86	$9,452.86
31	Annual License - Cloud Based CUPPS Solution - YEAR 2	1	$35,000.00	$35,000.00	31	Annual License - Cloud Based CUPPS Solution - YEAR 2	1	$7,905.00	$7,905.00	27	Annual License - Cloud Based CUPPS Solution - YEAR 2	1	$7,909.75	$7,909.75
32	Annual O&M Costs - YEAR 2	1	$0.00	$0.00	32	Annual O&M Costs - YEAR 2	1	$34,450.06	$34,450.06	28	Annual O&M Costs - YEAR 2	1	$9,452.86	$9,452.86
33	Annual License - Cloud Based CUPPS Solution - YEAR 3	1	$37,100.00	$37,100.00	33	Annual License - Cloud Based CUPPS Solution - YEAR 3	1	$8,063.10	$8,063.10	29	Annual License - Cloud Based CUPPS Solution - YEAR 3	1	$7,909.75	$7,909.75
34	Annual O&M Costs - YEAR 3	1	$0.00	$0.00	34	Annual O&M Costs - YEAR 3	1	$35,139.06	$35,139.06	30	Annual O&M Costs - YEAR 3	1	$9,452.86	$9,452.86
	Sub-Total OPEX Annual Recurring Costs - 3 Year Cloud Based Solution			$107,100.00		Sub-Total OPEX Annual Recurring Costs - 3 Year Cloud Based Solution			$204,887.43		Sub-Total OPEX Annual Recurring Costs - 3 Year Cloud Based Solution			$52,087.83
6) SPARE MAINTENANCE MATERIALS					**6) SPARE MAINTENANCE MATERIALS**					**6) SPARE MAINTENANCE MATERIALS**				
35	PC (Workstation) - Dell i5 - PC/Workstation (with Mouse & Keyboard)	1	$1,266.00	$1,266.00	35	SHUTTLE XH610 Intel Alder Lake-S Core i5 16GB, 512 GB SSD	1	$982.00	$982.00	31	Workstation: Elite SFF 600 G9 i7 16GB 256GB Free DOS, No KBD/Mouse/VGA Adapter, Mouse, 3 Yr Warranty	1	$1,200.49	$1,200.49
36	Monitor - 24" Dell	1	$307.00	$307.00	36	Lenovo Thinkvision E20-30	1	$123.00	$123.00	32	Laptop: Elite Mini 800 G9 i714700T 16GB 256GB PC W11P, Wi-Fi and Mouse, 3 Years Warranty	1	$1,082.69	$1,082.69
37	Boarding Pass Printer - CUSTOM	1	$1,613.00	$1,613.00	37	Desko Neptune Chrome MSR/OCR Keyboard	1	$492.00	$492.00	33	Monitor: HP S3 Pro 322pf FHD Mntr US	1	$147.72	$147.72
38	Bag Tag Printers with Roller Kits - TK180 METAL RFID	1	$1,730.00	$1,730.00	38	CUSTOM TK180 Bag Tag RFID Printer	1	$1,264.00	$1,264.00	34	ATB: Fujitsu F9890C ATB NO LCD (5 Yr Warranty)	1	$680.64	$680.64
39	Handscanner-Zebra	1	$318.00	$318.00	39	CUSTOM TK180 Boarding Pass Printer	1	$649.00	$649.00	35	BTP w/ RFID: Fujitsu F9890C BTP NO LCD (5 Yr Warranty)	1	$1,194.03	$1,194.03
40	Barcode Scanner/BGR-Zebra	2	$542.00	$1,084.00						36	DCP: HP LaserJet Pro 4001DN - USA	1	$574.39	$574.39
41	Document Printer - Epson LX-350	2	$289.00	$578.00						37	BGR: ACCESS BGR 750-U-AD-Flat Bed Boarding Gate Reader-Angled Display (5 Yr Warranty)	1	$1,031.29	$1,031.29
42	Passport Swipe Reader - Desko	1	$655.00	$655.00						38	Keyboard w/ MSR & OCR:ACCESS AKB500-G-US-U-OM-0 Keyboard-Integrated OCR/MSR Keyboard with a USB Interface. USA Keyset Layout (5 Yr Warranty)	1	$598.21	$598.21
										39	Payment Device: PAX A35 Device (For Agent Desk) (Includes 1 Yr Warranty)	1	$478.41	$478.41
										40	Professional Services including procurement, shipping, installation, coordination and training	1	$65,111.64	$65,111.64
	Sub-Total Spare Maintenance Material			$7,551.00		Sub-Total Spare Maintenance Material			$3,510.00		Sub-Total Spare Maintenance Material			$72,099.51
	Total of Items 1-6			$205,147.00		Total of Items 1-6			$276,360.39		Total of Items 1-6			$198,196.24
2					**3**					**1**				

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AEROCLOUD FRAMEWORK AGREEMENT

This Agreement is made and entered into as of the date of the last signature to this Agreement ("**Effective Date**"), between AeroCloud Systems Inc. ("**AeroCloud**") and Tri-Cities Airport Authority ("**Subscriber**"). This Agreement sets forth the terms pursuant to which Subscriber shall be permitted to access and use the Services and Documentation during the applicable Initial Service Term. The parties agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1. "**Agreement**" means these terms and conditions, the Exhibits appended hereto and any Commercial Addendum (and any Annex/Annexes appended thereto) incorporated from time to time into this Agreement.

1.1 "**Authorized Users**" means Subscriber's Master Users, employees, consultants, contractors, and/or agents who are authorized by Subscriber to access and use the Subscription Services and Documentation under the rights granted to Subscriber pursuant to this Agreement

1.2 "**Additional Services**" means any additional Implementation Services, Subscription Services, Support Services and/or other similar services which AeroCloud agrees to provide to Subscriber from time to time during the Initial Service Term, as set out in the applicable Commercial Addendum.

1.2. "**Commencement Date**" means the commencement date set out in the applicable Commercial Addendum.

1.3. "**Commercial Addendum**" means a commercial addendum which shall be substantially in the form set out in the Exhibit to this Agreement, including any Annex/Annexes incorporated into such commercial addendum.

1.4. "**Data Center**" means the location where the production instance of the Services is hosted for the Subscriber in its region. The Services are hosted on Amazons AWS Cloud Infrastructure using Locations based in their North American Data Centres (for Subscribers located outside of Europe/the UK) or European Data Centres (for Subscribers located within Europe/the UK).

1.5. "**Data Controller**" means the natural or legal person, public authority, agency or other body which, alone or jointly with others, determines the purposes and means of the processing of Personal Data.

1.6. "**Data Processor**" means a natural or legal person, public authority, agency or other body which processes personal data on behalf of the Data Controller.

1.7. "**Data Protection Law**" means the applicable legislation protecting the fundamental rights and freedoms of persons and their right to privacy with regard to the processing of Personal Data under this Agreement.

1.8. "**Data Subject**" means an identified or identifiable natural person.

1.9. "**Default**" means any breach of a party's obligations under this Agreement, or any other default, act, omission, negligence, breach of statutory duty or statement by a party in connection with or in relation to the subject matter of this Agreement and in respect of which that party has a liability to the other party.

1.3 "**Delivery Location**" means the delivery location for the Hardware, as set out in the applicable Commercial Addendum.

1.4 "**Documentation**" means the then current technical and functional documentation, as well as any user instructions, roles and responsibilities descriptions (if applicable), for the Subscription Services and which are made available by AeroCloud to Subscriber from time to time. AeroCloud reserves the right to amend the Documentation at any time during the Initial Service Term.

1.10. "**Exclusions**" has the meaning given to it in Section 4.4.1.

1.11. "**Fees**" means the fees payable by Subscriber to AeroCloud in consideration for the licenses, services and/or Hardware provided under this Agreement, as set out in the applicable Commercial Addendum.

1.12. "**Hardware**" refers to the hardware agreed to be purchased by Subscriber from AeroCloud, as set out in the applicable Commercial Addendum.

1.5 "**Incident**" means an error, non-conformity, fault, incident or event that causes or may cause an interruption to, or reduction in expected functionality, performance or quality of the Subscription Services.

1.6 "**Implementation Services**" means the software implementation services and/or, pursuant to Section 5.1(d), hardware installation services provided by AeroCloud, as set out in the applicable Commercial Addendum.

1.13. "**Initial Service Term**" means the initial period set out in the applicable Commercial Addendum.

1.14. "**Invoicing Frequency**" means the invoicing frequency set out in the applicable Commercial Addendum.

1.15. "**Master Users**" means the key accounts of Subscriber granted access and use of the Services directly by AeroCloud, and who control and grant access and use of the Services to all other Authorized Users of Subscriber, as set out in the applicable Commercial Addendum.

1.16. "**Payment Terms**" means the payment terms set out in the applicable Commercial Addendum.

1.17. "**Passenger Processing Solutions**" means the following AeroCloud Subscription Services: CUPPS / eDesktop, eScan, eDCS, CUSS, SSBD.

1.18. "**Priority Levels**" means the priority levels set out in Section 4.3 and/or such priority levels set out in the applicable Commercial Addendum (if any).

1.7 "**Permitted Unavailability**" means:

(a) any unavailability (including for maintenance carried out) during AeroCloud's standard maintenance window;

(b) unscheduled maintenance, provided that, where possible, AeroCloud has exercised reasonable efforts to give Subscriber advance notice;

(c) any unavailability to the extent that it is caused by any act, omission, breach or default of anyone, other than AeroCloud's personnel or any third party appointed by AeroCloud to provide Services on AeroCloud's behalf under this Agreement;

(d) any force majeure event under Section 15.5; and/or

(e) AeroCloud's suspension of Authorized Users' access to the Services in accordance with this Agreement.

1.8 "Personal Data" means any information relating to a Data Subject. For the purposes of this Agreement, it includes only personal data entered by Subscriber or its Authorised Users into or derived from their use of the Services. It also includes personal data

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supplied to or accessed by AeroCloud in order to provide support under this Agreement. Personal Data is a sub-set of Subscriber Data.

1.19. "**Respond**" means the acknowledgement by AeroCloud of the Incident and "Response" shall be construed accordingly.

1.20. "**Resultant Data**" means data and information related to Subscriber's use of the Services that is used by AeroCloud (and/or any of its affiliates) in an aggregate and anonymized manner, including to improve the Services and to compile statistical and performance information related to the provision and operation of the Services.

1.21. "**Scope Limitations**" means the limitations on Subscriber's use of the Services, as set out in the applicable Commercial Addendum.

1.22. "**Services**" means collectively the:

(a) Implementation Services;

(b) Subscription Services;

(c) Support Services; and

(d) Additional Services.

1.23. "**Security Breach**" means a confirmed (1) accidental or unlawful destruction, loss, alteration, or disclosure of Subscriber Personal Data, or (2) similar incident involving Personal Data for which a Data Processor is required under applicable law to provide notice to the Data Controller.

1.24. "**Subscriber Personal Data**" means that Personal Data processed by AeroCloud on behalf of Subscriber pursuant to or in connection with instructions.

1.25. "**Software**" means the web-based software applications provided by AeroCloud as part of the Subscription Services.

1.26. "**Subscription Services**" means the subscription services provided or to be provided by AeroCloud to Subscriber under this Agreement, as set out in the applicable Commercial Addendum.

1.27. "**Subscriber Data**" means all information, data, and other content, in any form or medium, that is inputted or otherwise provided, directly or indirectly, by Subscriber or an Authorized User (or a third party acting on Subscriber's or Authorized User's behalf) for the purpose of using the Subscription Services, including all intellectual property rights relating thereto. For the avoidance of doubt, Subscriber Data may include, depending on the Services, third party data relating to customers of third party airlines but does not include Resultant Data or any other information relating to the access and/or use of the Subscription Services by or on behalf of Subscriber or any Authorized User.

1.9 "**Support Services**" means the support services provided or to be provided by AeroCloud, as set out in Section 4.

1.28. In this Agreement (unless the context requires otherwise):

(a) the words "**including**", "**include**", "**for example**", "**in particular**" and words of similar effect shall be construed so that they do not limit the general effect of the words which precede them, and so that any examples that are given are not to be exclusive or limiting examples of the matters in question;

(b) references to the singular include the plural and vice versa;

(c) section headings are all for reference only and shall be ignored in construing this Agreement;

(d) references to any one gender do not exclude other genders;

(e) general references to a "person" shall be understood to include (as applicable), a natural person, a company, a partnership and an unincorporated association (in each case whether or not having separate legal personality); and

(f) reference to any statue, statutory provision or statutory instrument includes a reference to that statue, statutory provision or statutory instrument together with all rules and regulations made under them, in each case as from time to time amended, consolidated or re-enacted.

1.29. If there is any inconsistency or conflict between these terms and conditions and any Commercial Addendum, except as expressly stated, the following descending order of precedence shall apply:

(a) these terms and conditions; and

(b) any Commercial Addendum.

2. USE OF THE SUBSCRIPTION SERVICES AND DOCUMENTATION

2.1 Use of the Subscription Services

Subject to the terms and conditions of this Agreement, AeroCloud grants to Subscriber a limited, worldwide, non-exclusive, non-transferable right, without the right to grant sublicenses, to permit the Authorized Users to access and use the Subscription Services and use the Documentation in connection with the Subscription Services (including the right to make a reasonable number of copies of the Documentation, without any modification) during the applicable Initial Service Term, solely in connection with Subscriber's internal business operations.

2.2 Scope Limitations

Subscriber's right to permit Authorized Users to access and use the Subscription Services and Documentation is subject to the Scope Limitations and conditional upon Subscriber's and each Authorized User's compliance with the Scope Limitations.

2.3 Authorized Users

2.3.1. Prior to providing Authorized Users with access to the Subscription Services, Subscriber shall ensure that all Authorized Users are aware of the terms and conditions of this Agreement, including their obligation to comply with any other user instructions applicable to the Subscription Services which are made available by AeroCloud to Subscriber from time to time and shall procure that the Authorized Users comply with the same. Subscriber is responsible for the acts and omissions of the Authorized Users as if such acts and omissions were the acts and omissions of Subscriber.

2.3.2. Master Users shall be responsible for granting access to the Subscription Services to all Authorized Users in accordance with the terms of this Agreement. Master Users shall only provide Authorized Users with access to the Subscription Services via the access method provided by AeroCloud from time to time and shall not provide access or use to any person other than an Authorized User. Subscriber shall provide AeroCloud with prior written notice of any updates to the list of Master Users provided to AeroCloud, including when Master Users cease to be employed or engaged by Subscriber. The minimum number of required Master Users is 1 (one) and

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the maximum number of Master Users permitted at any one time under this Agreement is five (5) in total.

2.3.3. Subscriber warrants that it shall, and shall ensure that the Authorized Users shall:

(a) keep confidential and, except as provided for in this Agreement, not share with any third party any password that is provided or set to facilitate Authorized Users' access to the Subscription Services, and

(b) use commercially reasonable efforts to avoid introducing or permitting any virus or other malware or device (including any bugs, worms, logic bombs, trojan horses or any other malicious code) that may infect, cause damage to or otherwise adversely affect the operation and/or stability of the Subscription Services or AeroCloud's systems and/or networks or otherwise disrupt the provision of the Subscription Services.

2.4 Use Restrictions

2.4.1. Except to the extent explicitly permitted under this Agreement or by any applicable law (which is incapable of exclusion by agreement between the parties), Subscriber shall not, and shall not permit or authorize any Authorized User or third party to:

(a) attempt to copy, modify, duplicate, create derivative works from, frame, mirror, republish, download, display, transmit or distribute all or any part of the Software and/or Documentation in any form or media or by any means; or

(b) attempt to reverse engineer, disassemble, de-compile, reverse compile or otherwise attempt to derive, gain access to or reduce to human-readable form all or any part of the Software.

2.4.2. Subscriber shall not and shall not permit or authorize any Authorized User or third party to:

(a) rent, lease, license, sell, transfer, assign, distribute, display, disclose or otherwise commercially exploit or otherwise make the Subscription Services and/Documentation available to any third party except the Authorized Users, unless approved by AeroCloud in writing;

(b) use the Subscription Services to provide services to any third parties (e.g., as a service bureau);

(c) use the Subscription Services for any benchmarking activity or in connection with the development of any competitive product; nor circumvent or disable any security or other technological features or measures of the Subscription Services;

(d) remove any proprietary notices from the Software, Subscription Services and/or Documentation;

(e) attempt to obtain or assist any person (other than an Authorized User) in obtaining, access to the Subscription Services; or

(f) use the Subscription Services and/or Documentation in any manner or for any purpose that infringes, misappropriates or otherwise violates any intellectual property right or other right of any person or that violates any applicable law.

2.5 Compliance with Laws

Subscriber shall access and use the Subscription Services and Documentation in compliance with all applicable laws and regulations.

2.6 Protection against Unauthorized Use

Subscriber shall use all reasonable efforts to prevent any unauthorized access to, or use of, the Subscription Services and Documentation and immediately notify AeroCloud in writing of any unauthorized access or use that comes to Subscriber's attention. If there is unauthorized access or use by anyone who obtained access to the Subscription Services directly or indirectly through Subscriber or an Authorized User, Subscriber shall take all steps reasonably necessary to terminate the unauthorized use. Subscriber shall cooperate and assist with any actions taken by AeroCloud to prevent or terminate unauthorized access or use of the Subscription Services and/or Documentation.

2.7 Audit

2.7.1. AeroCloud reserves the right to (or appoint a third party acting on AeroCloud's behalf to) audit usage of the Subscription Services by all Authorized Users for the purpose of verifying Subscriber's and each Authorized User's compliance with the terms of this Agreement.

2.7.2. Without prejudice to AeroCloud's other rights and remedies, if any audit by or on behalf of AeroCloud demonstrates any:

(a) under-payment of Fees to AeroCloud, Subscriber shall pay to AeroCloud an amount equal to the underpayment by reference to the Fees in the relevant Commercial Addendum within five (5) business days of AeroCloud's request;

(b) non-compliance (other than under-payment which is dealt with under Section 2.7.2(a)) by Subscriber with any of its obligations under this Agreement, Subscriber shall promptly remedy the cause of such non-compliance and if Subscriber refuses to remedy or fails to remedy the non-compliance to AeroCloud's reasonable satisfaction, AeroCloud shall be entitled to suspend all or part of the Services until such time that AeroCloud is satisfied the non-compliance is remedied and will not re-occur;

(c) unauthorized access and/or use of the Subscription Services by Subscriber, an Authorized User or an unauthorized user, AeroCloud reserves the right, without prior notification, to deny Subscriber, any Authorized User and/or unauthorized user access to the Subscription Services by blocking the IP address(es) used to access the Subscription Services.

2.8 Additional Services and Proof of Concept

2.9 The parties may agree, from time to time during the Initial Service Term, to introduce Additional Services into this Agreement by agreeing and signing a Commercial Addendum. Each Commercial Addendum shall become incorporated into this Agreement once it has been signed by each party's authorized representative.

2.10 AeroCloud may agree, at any time during the initial Service Term, to provide Subscriber and its Authorized Users with access to and use of certain Subscription Services on a proof-of-concept basis. AeroCloud shall make the applicable Subscription Services available to the Authorized Users for a period of sixty (60) days upon receipt of payment of the proof-of-concept fee confirmed by AeroCloud (the "**POC Period**"). The proof of concept shall remain in place for the POC Period and Subscriber agrees and acknowledges that upon expiry of the POC Period (or earlier if agreed in writing between the

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parties) the proof of concept shall be replaced by the Commercial Addendum which shall, subject to any extension thereof in accordance with this Agreement, remain in effect for the Initial Service Term unless Subscriber gives AeroCloud at least seven (7) days' written notice prior to the expiry of the POC Period to terminate the proof of concept, in which case the proof of concept shall immediately terminate and the Commercial Addendum shall not come into effect or be binding on the parties in respect of such Subscription Services. Access and use of the Subscription Services during the POC Period shall be subject to the terms of this Agreement.

2.11 Third Party Providers

2.9.1. Subscriber acknowledges that the Services may enable or assist it to access the website content of, correspond with, and purchase products and services from, third parties via third-party websites and that it does so solely at its own risk.

2.9.2. AeroCloud makes no representation, warranty or commitment and shall have no liability or obligation whatsoever in relation to the content or use of, or correspondence with, any such third-party website, or any transactions completed, and any contract entered into by Subscriber, with any such third party. Any contract entered into and any transaction completed via any third-party website is between Subscriber and the relevant third party, and not AeroCloud. AeroCloud recommends that Subscriber refers to the third party's website terms and conditions and privacy policy prior to using the relevant third-party website. AeroCloud does not endorse or approve any third-party website nor the content of any of the third-party website made available via the Services.

3. IMPLEMENTATION SERVICES

3.1 General

3.1.1. AeroCloud warrants that the Implementation Services shall be performed in accordance with reasonable skill and care.

3.1.2. If the Implementation Services do not comply with Section 3.1.1, AeroCloud shall, at its own expense, exercise reasonable efforts to correct any such non-conformity as soon as reasonably practicable.

3.1.3. Subject to Section 13.1(c), the remedies set out in Section 3.1.2 constitute Subscriber's sole and exclusive remedy for any non-conformance with the warranty in Section 3.1.1.

3.2 Delivery

3.2.1. AeroCloud shall use commercially reasonable efforts to meet any performance dates set out in the applicable Commercial Addendum for the Implementation Services, but any such dates are approximate only, and the time of performance will not be of the essence.

3.2.2. AeroCloud shall not be responsible for any non-compliance of the Implementation Services with the warranty in Section 3.1.1 or any failure to provide the Implementation Services, to the extent any such non-compliance and/or failure is as a result of a failure by Subscriber to provide adequate instructions in relation to the Implementation Services (or subject matter thereof) or a failure by Subscriber to provide all requisite materials, facilities, access and suitable working conditions and/or comply with any Subscriber responsibilities set out in the applicable Commercial Addendum to enable the Implementation Services to be carried out safely and expeditiously ("**Subscriber Default**"). In the event of a Subscriber Default, without prejudice to any other rights and remedies that AeroCloud may have, the parties shall agree (acting reasonably and in good faith) an extension of time to perform the Implementation Services and Subscriber shall pay AeroCloud for any additional costs and expenses reasonably incurred by AeroCloud as a result of the Subscriber Default.

4. SUPPORT SERVICES

4.1 Availability

AeroCloud shall use commercially reasonable efforts to make the Subscription Services available not less than 99.9% (or such other percentage set out in the applicable Commercial Addendum) each month, except for periods of Permitted Unavailability and any time the Subscription Services are not available as a result of one or more Exclusions (defined below).

4.2 Incident Support

4.2.1. Provided Subscriber is current with its payment of the Fees, AeroCloud shall provide support to Subscriber in relation to Incident response and resolution. Unless otherwise agreed between the parties in the applicable Commercial Addendum, Incident support shall only be provided during AeroCloud's standard local EST business hours each business day AeroCloud is open for business.

4.2.2. Upon notification of an Incident by Subscriber or an Authorized User, AeroCloud shall:

(a) assign a Priority Level;

(b) Respond to the Incident in accordance with the target response times set out in Section 4.3; and

(c) use commercially reasonable efforts to resolve any Incident (or implement a work-around) within the target resolution times set out in Section 4.3, taking into account the nature of the Incident.

4.3 Priority Levels, Target Response and Target Resolution Times

Except to the extent different priority levels, target response times and/or target resolution times are set out in the applicable Commercial Addendum, the priority levels, target response times and target resolution times applicable to all Incidents are as follows:

Priority Level	Target Response Time*	Target Resolution Time*
Priority 1	2 business hours	1 business day
Priority 2	12 business hours	2 business days
Priority 3	1 business day	5 business days
Priority 4	3 business days	10 business days

***target response times shall apply from when the Incident notification is received by AeroCloud and target resolution times shall apply from the point AeroCloud Responds to an Incident.

4.4 Exclusions

4.4.1. Support Services shall not be provided by AeroCloud in respect of the following:

(a) third party services, infrastructure and/or products not provided by or on behalf of AeroCloud;

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(b) failure of Subscriber's communications networks and/or facilities;

(c) use of the Subscription Services contrary to AeroCloud's instructions;

(d) failure of the Subscriber to comply with Section 5.1(d) and/or 5.1(e); and

(e) any changes implemented by Subscriber (or any third party on behalf of the Subscriber) to its environment(s), network, systems and/or infrastructure and such changes were not approved in writing by AeroCloud,

(together "**Exclusions**").

4.4.2. AeroCloud may agree, in its sole discretion, to provide Subscriber with Incident response and resolution support in relation to any one or more of the Exclusions. If AeroCloud agrees to provide Subscriber with Incident response and resolution support in respect of any one or more Exclusions, Subscriber shall pay all fees incurred by AeroCloud in its performance of such support, such fees to be calculated using AeroCloud's then current rates.

4.4.3. If Support Services are provided in circumstances where a reasonably skilled and competent operator would have judged Subscriber's requirement to have been unnecessary and/or AeroCloud performs the Support Services and AeroCloud subsequently finds that such support was required as a result of one or more of the Exclusions, AeroCloud shall be entitled to charge additional fees calculated using AeroCloud's then current rates.

5. SUBSCRIBER OBLIGATIONS

5.1 Subscriber shall:

(a) provide AeroCloud with all necessary co-operation and information as may be reasonably requested by AeroCloud in relation to this Agreement and/or its provision of the Services, including providing adequate working space and facilities for use by AeroCloud personnel for the purpose of pre-staging equipment, training Subscriber's staff and performing maintenance obligations (where applicable);

(b) provide AeroCloud personnel with access to the required Subscriber equipment and all relevant software for the purpose of providing the Services such access to be granted remotely, or where required by AeroCloud, on site connecting via ACS secure VPN;

(c) carry out all of its obligations set out in this Agreement in a timely and efficient manner;

(d) except where the applicable Commercial Addendum expressly states that AeroCloud is responsible for installation of the Hardware, be responsible for the installation of the Hardware (and in either case, providing a suitable environment for doing so);

(e) be responsible for use, maintenance and storage of the Hardware in accordance with the specification and the manufacturer's and AeroCloud's instructions, guidance and/or recommendations (whether given in writing or orally or on, before or after the Commencement Date) provided by the applicable manufacturer and/or AeroCloud from time to time (whether given in writing or orally or on, before or after the delivery of the Hardware), including ensuring the Hardware is, at all times, stored and used by the Subscriber in a temperature and humidity controlled environment in accordance with such specification, instructions, guidance and recommendations. If there is a conflict between the specification, instructions and/or recommendations it is the responsibility of the Subscriber to check which shall take precedence; and

(f) ensure that its network and system used in the receipt of the Services (and Hardware, where applicable) comply with any relevant specifications (including minimum system requirements) provided by AeroCloud from time to time.

5.2 Without prejudice to AeroCloud's other rights and remedies, the non-performance or delay in performance of AeroCloud's obligations under this Agreement shall be excused if and to the extent that such non-performance or delay in performance results from Subscriber's failure to comply with its obligations under this Agreement.

6. HARDWARE

6.1 Specification

6.1.1. AeroCloud may modify the specification of any Hardware to be supplied under this Agreement and/or substitute substantially conforming components provided the modifications and/or substitutions do not adversely affect the performance of the Hardware. AeroCloud will use reasonable endeavours to advise Subscriber of all such modifications or substitutions in advance of delivering the Hardware to Subscriber.

6.1.2. All illustrations or specifications contained in any sales material or publicity material produced by, or on behalf of, AeroCloud are approximate only and are only intended to convey a general idea of the Hardware and any typographical, clerical or other error or omission in any literature/document or information issued by AeroCloud will be correctable without notice or any liability to Subscriber.

6.2 Delivery

6.2.1. Delivery of the Hardware is completed on arrival of the Hardware at the Delivery Location. Any dates quoted (whether in writing or verbally) or set out in the applicable Commercial Addendum are approximate only and the time for delivery is not of the essence.

6.2.2. AeroCloud shall be entitled to make a partial delivery of the Hardware or delivery by instalments.

6.2.3. Subscriber must inspect the Hardware immediately upon their delivery to the Delivery Location to check whether the Hardware has been damaged in transit and the Hardware is as, and in the quantity, specified in the applicable Commercial Addendum. Any discrepancy between the Hardware delivered and those specified in the Commercial Addendum and/or any damage to the Hardware in transit must be notified to AeroCloud in writing within two (2) business days of receipt by Subscriber of the Hardware. No claim for damage in transit, non-compliance with the Commercial Addendum or non-delivery will be considered by AeroCloud unless Subscriber complies with the provisions of this Section and any remedy under this Section shall be limited, at AeroCloud's option, to the replacement or repair of any Hardware.

6.2.4. If AeroCloud is prevented from carrying out delivery of the Hardware on the specified date because of any act or

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omission of Subscriber, its personnel and/or any third party providing services to Subscriber, AeroCloud may levy additional charges to recover its loss arising from this event.

6.2.5. Subscriber will be deemed to have accepted the Hardware as being in accordance with this Agreement unless Subscriber notifies AeroCloud in writing of any defect in materials or workmanship or failure to comply with specifications or any other failure of the Hardware which would be apparent on reasonable inspection of the Hardware within five (5) business days from the date of delivery of the Hardware.

6.2.6. In the event of a valid claim by Subscriber under Section 6.2.5, AeroCloud will use reasonable endeavours to provide Subscriber with reasonable assistance in making a claim under the warranty (if any) assigned pursuant to Section 6.4.

6.3 Risk and Title

6.3.1. Risk in the Hardware shall pass to Subscriber on delivery of the Hardware to the Delivery Location.

6.3.2. Title to the Hardware shall not pass to Subscriber until the Fees for the Hardware have been paid in full to AeroCloud by Subscriber.

6.3.3. Until title to the Hardware has passed to Subscriber, Subscriber shall:

(a) store the Hardware in accordance with this Agreement and separately from all other hardware held by Subscriber so that they remain readily identifiable as AeroCloud's property;

(b) maintain the Hardware in satisfactory condition and keep them insured against all risks for their full price on AeroCloud's behalf from the date of delivery;

(c) not destroy, deface or obscure any identifying mark or packaging on or relating to the Hardware; and

(d) hold the Equipment on a fiduciary basis as AeroCloud's bailee.

6.3.4. Without prejudice to Section 6.3.3, as collateral security for all of the Subscriber's payment obligations under this Agreement in respect of the Hardware, Subscriber hereby grants AeroCloud a first priority security interest in all Hardware purchased or to be purchased hereunder to the maximum extent permitted by law. Subscriber shall, at AeroCloud's reasonable expense, take all commercially reasonable action required by AeroCloud to further evidence and/or perfect such security interest, including without limitation executing and delivering a separate security agreement and UCC-1 financing statement.

6.4 Warranty

6.4.1. AeroCloud, to the extent that it is permitted to do so, hereby assigns the benefit of any warranty covering any defects in Hardware received by AeroCloud under an agreement with the manufacturer or supplier of the relevant Hardware. The warranty (if any) will be limited to that warranty provided by the manufacturer or supplier (as the case may be) as standard with the delivery of the Hardware and any validation procedures relating to that warranty shall be the responsibility of the Subscriber. Subscriber acknowledges and agrees that any failure by the Subscriber to comply with its obligations under this agreement relating to the use, storage and maintenance of the Hardware may invalidate the manufactures warranty.

6.4.2. The standard warranty of the manufacturer or supplier referred to in Section 6.4.1 is in lieu of all other terms or conditions whether express or implied concerning the quality or fitness for purpose of Hardware and all such other terms and conditions are hereby excluded.

6.5 Export Control

6.5.1. Subscriber acknowledges that certain Hardware may be subject to export controls and undertakes to apply for and obtain any necessary licenses or other consents that may be necessary to export or take any product (or any part thereof) out of the jurisdiction of delivery of the Hardware. Without prejudice to the foregoing, Subscriber shall be responsible for complying with any legislation governing:

(a) the importation of the Hardware into the country of destination; and

(b) the export and re-export of the Hardware;

and shall be responsible for the payment of any duties on it.

7. INTELLECTUAL PROPERTY AND DATA RIGHTS

7.1 AeroCloud Intellectual Property

All right, title and interest in and to the Services and the Documentation, including all intellectual property rights therein, are and shall remain with AeroCloud and, with respect to any third-party materials, the applicable third-party providers own all right, title and interest, including all intellectual property rights, in and to the third-party materials. Subscriber acknowledges that all intellectual property rights embodied in or practiced by the Hardware are and shall remain the sole property, as applicable, of AeroCloud or its suppliers, licensors or third party manufacturers. Subscriber acquires no other right, license or authorization with respect to any of the Services and the Documentation except as expressly set forth in Section 2.1 or any applicable third-party license. All other rights in and to the Services and Documentation are expressly reserved by AeroCloud. In furtherance of the foregoing, Subscriber hereby unconditionally and irrevocably assigns to AeroCloud all its right, title and interest in and to the Resultant Data, including all intellectual property rights relating thereto.

7.2 Subscriber Data

7.2.1 As between Subscriber and AeroCloud, Subscriber is and shall remain the sole and exclusive owner of all right, title and interest in and to the Subscriber Data, subject to the rights and permissions granted in Section 7.2.2 below.

7.2.2 Subscriber hereby grants to AeroCloud (its affiliates and any third party appointed by AeroCloud to provide any of the Services under this Agreement) a royalty-free, worldwide, non-exclusive, sublicensable license to use any and all Subscriber Data in connection with AeroCloud's performance of its obligations under this Agreement and/or provision of the Services.

7.2.3 Subscriber acknowledges that:

(a) AeroCloud has no control over any Subscriber Data hosted as part of the provision of the Services and does not purport to monitor the content of the Subscriber Data; and

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(b) it has sole responsibility for and to ensure the legality, reliability, integrity, accuracy and quality of the Subscriber Data.

7.2.4. Subscriber shall ensure that the Subscriber Data (including the provision thereof to AeroCloud) does not breach any applicable law, infringe any third-party intellectual property rights, or include any material which is obscene, indecent, pornographic, offensive, defamatory, threatening, liable to incite racial hatred or menacing. Without prejudice to AeroCloud's other rights and remedies, if AeroCloud becomes aware of any allegation (or reasonably believes) that any Subscriber Data violates (or may violate) the foregoing, AeroCloud shall inform Subscriber and shall have the right to remove the offending Subscriber Data from the Subscription Services and suspend the Subscription Services until AeroCloud is satisfied that the violation will not re-occur, without notice to or approval from Subscriber.

7.3 Feedback

If Subscriber provides any feedback to AeroCloud concerning the Software, Services and/or the Documentation (including identifying potential errors and improvements), Subscriber hereby assigns to AeroCloud all its right, title and interest in and to the feedback, and AeroCloud shall be free to use, license and commercialize the feedback without payment to Subscriber or restriction.

7.4 Publicity

7.4.1. Each party agrees that it will not make or permit any person to make, any public announcement concerning this Agreement without the prior written consent of the other (such consent not to be unreasonably withheld or delayed), except as required by applicable law or as set out in Section 7.4.2 below.

7.4.2. Subscriber acknowledges and agrees that AeroCloud may from time to time include reference to this Agreement, the Services and/or the fact that Subscriber is a customer (including the use of Subscriber's logo) in publicity and/or marketing materials to be issued by AeroCloud to third parties or generally included on AeroCloud's website or in case studies. Where reasonably requested by AeroCloud, Subscriber will, acting reasonably and in good faith, act as a referee for AeroCloud with other potential customers for Services and/or other items which are the same as or similar to the Services.

8. FEES AND PAYMENT

8.1 Fees

Subscriber shall pay the Fees and any other amounts owing under this Agreement, in accordance with this Section 8. All Fees and other amounts payable by Subscriber are exclusive of taxes, and Subscriber shall be responsible for payment of all such taxes, excluding only taxes based solely on AeroCloud's income. Unless otherwise agreed in writing by AeroCloud, all prices for the Hardware are exclusive of AeroCloud's charges for delivery or handling which will be added to AeroCloud's invoice for the Hardware.

8.2 Invoicing and Payment Terms

8.2.1. AeroCloud shall invoice Subscriber in accordance with the applicable Invoicing Frequency. Subscriber shall pay all Fees to AeroCloud in accordance with the applicable Payment Terms and if no Payment Terms are expressed, within thirty (30) days of receipt of the relevant invoice.

8.2.2. The Fees (if paid upfront) payable by Subscriber to AeroCloud are non-cancellable and non-refundable, except as expressly set out in this Agreement.

8.3 Non-Payment

8.3.1. Without prejudice to AeroCloud's other rights and remedies, if AeroCloud has not received payment of Fees (or any other sums) by the due date, AeroCloud may, at its option:

(a) charge interest on the late payment at a rate of four per cent (4%) per annum, or the maximum legal rate, if less;

(b) suspend Subscriber's and each Authorized User's access and use of the Subscription Services and Documentation and suspend AeroCloud's performance of all or part of the Services, without liability, while the Fees remain unpaid; and/or

(c) suspend performance of all or part of the Services without liability, while the Fees remain unpaid.

8.4 Currency

All amounts payable under this Agreement are denominated and shall be payable by Subscriber in the currency set out in the applicable Commercial Addendum.

8.5 Taxes

Other than net income taxes imposed on AeroCloud, Subscriber shall bear all taxes (including value added tax), duties and other governmental charges (collectively, "**Taxes**") resulting from this Agreement. Subscriber shall pay any additional Taxes as are necessary to ensure that the net amounts received by AeroCloud after all such Taxes are paid are equal to the amounts that AeroCloud would have been entitled to in accordance with this Agreement as if the Taxes did not exist.

8.6 Set-off

Amounts due from Subscriber under or in connection with this Agreement shall be paid in full without any set-off, counterclaim, deduction or withholding (other than by any deduction or withholding of tax as may be required by applicable law).

9. TERM AND TERMINATION

9.1 Agreement Term

This Agreement (but excluding any Commercial Addendum) shall commence upon the Effective Date and continue unless terminated earlier in accordance with the terms of this Agreement.

9.2 Commercial Addendum Term

Each Commercial Addendum shall commence upon the Commencement Date and continue for the Initial Service Term unless the applicable Commercial Addendum is terminated earlier by either party providing at least sixty (60) days prior written notice before the end of the Initial Service Term that it wishes to terminate the applicable Commercial Addendum, in which case the applicable Commercial Addendum shall terminate upon the expiry of the Initial Service Term.

9.3 Fee Increases

AeroCloud shall be entitled to increase any of the Fees payable during an Initial Service Term upon at least ninety (90) days' prior notice to Subscriber and the relevant Commercial Addendum shall be deemed to have been amended accordingly.

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9.4 Termination for Material Breach

Either party may terminate this Agreement and/or any Commercial Addendum immediately at any time by written notice to the other party, if the other party commits any material breach of its obligations under this Agreement and/or the relevant Commercial Addendum which is not capable of remedy, or if it is capable of remedy, fails to remedy the material breach in all material respects within thirty (30) days of receiving written notice of the material breach from the non-breaching party.

9.5 Termination by AeroCloud

9.5.1 AeroCloud may terminate this Agreement and/or any Commercial Addendum immediately at any time by written notice to Subscriber:

(a) if Subscriber fails to pay any Fees by the due date;

(b) there is any unauthorized use, or any unauthorized attempt to use, AeroCloud's intellectual property by Subscriber; or

(c) if Subscriber is in violation of applicable law or regulation.

9.6 Consequence of Termination

9.6.1 Upon termination of this Agreement and/or any Commercial Addendum for any reason:

(a) all licenses granted by AeroCloud under this Agreement shall immediately terminate and Subscriber shall immediately cease all use of the Software, Services and Documentation;

(b) each party shall return to the other party and make no further use of any equipment, property, documentation and other items (and all copies of them) belonging to the other; and

(c) Subscriber shall pay to AeroCloud any fees or other amounts that have accrued prior to the date of the termination.

9.6.2 The termination of this Agreement and/or Commercial Addendum for any reason:

(a) shall not affect any provision of this Agreement which is intended (expressly or by implication) to survive, or to come into effect in the event of, termination of this Agreement; and

(b) shall not prejudice or affect the rights or remedies of either party which have accrued up to and including the date of termination.

9.6.3 Termination of this Agreement shall not terminate any Commercial Addendum(s) then in effect, which shall continue to be governed by the terms of this Agreement and termination of a Commercial Addendum shall be without prejudice to the remainder of any other Commercial Addendum(s). Where only one or more Commercial Addendum(s) (and not all Commercial Addendums) have been terminated, the obligations under Section 9.6.1 shall apply only in respect of the terminated Commercial Addendum(s).

10. WARRANTIES AND DISCLAIMER

10.1 Mutual Warranties

10.1.1 Each party represents and warrants to the other that:

(a) this Agreement has been duly executed and delivered and constitutes a valid and binding agreement enforceable against such party in accordance with its terms;

(b) no authorization or approval from any third party is required in connection with such party's execution, delivery, or performance of this Agreement;

(c) it shall obtain and maintain all necessary licenses, consents, and permissions necessary for the performance (or in the case of the Subscriber, receipt and use) of the Services; and

(d) it complies and shall comply with applicable laws relating to the provision (or receipt and use, in the case of Subscriber) of the Services and Documentation and performance of its obligations under this Agreement.

10.2 AeroCloud Subscription Services Warranty

10.2.1 AeroCloud warrants the Subscription Services shall be performed in a professional manner consistent with good industry practice and that the Subscription Services shall substantially perform in accordance with the Documentation. Notwithstanding the foregoing, the above warranty shall not apply where the Services are provided to Subscriber during any POC Period.

10.2.2 The warranty in Section 10.2.1. shall not apply to the extent of any non-conformance which is caused by the use of the Subscription Services contrary to AeroCloud's instructions, or modification of the Subscription Services by any party other than AeroCloud or AeroCloud's duly authorized contractors or agents. If the Subscription Services do not conform with the warranty in Section 10.2.1, AeroCloud shall, at its own expense, exercise reasonable efforts to correct any such non-conformity as soon as reasonably practicable.

10.2.3 Subject to Section 13.1(c), the remedies set out in Section 10.2.2 constitute Subscriber's sole and exclusive remedy for any non-conformance with the warranty in Section 10.2.1.

10.3 Disclaimers

10.3.1. AeroCloud:

(a) does not warrant that Subscriber's (or Authorized User's) use of the Services shall be uninterrupted or error-free or that the Services or the information obtained by Subscriber or an Authorized User through the Services shall meet its requirements.

(b) is not responsible for any delays, delivery failures or any other loss or damage resulting from the transfer of data over communications networks and facilities, including the internet, and Subscriber acknowledges that the Services may be subject to limitations, delays and other problems inherent in the use of such communications facilities.

(c) *Except as expressly warranted in this Agreement and to the maximum extent permitted by applicable law, the Subscription Services, the Software, Documentation and other Services are provided "as is," and AeroCloud makes no (and hereby disclaims all) other warranties, representations, or conditions, whether written, oral, express, implied or statutory, including, without limitation, any implied warranties of satisfactory quality, course of dealing, trade usage or practice, merchantability, fitness for a particular purpose, title,*

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non-infringement, quiet enjoyment, system integration and/or data accuracy.

11. INTELLECTUAL PROPERTY INFRINGEMENT

11.1 AeroCloud Indemnification of Infringement Claims

11.1.1 AeroCloud shall, at its expense, defend Subscriber against any third-party claims that the Subscriber's use of the Software, the Subscription Services and/or the Documentation (save in relation to Section 12.1.1) infringes or misappropriates any UK or US patent, copyright, or trade secret right provided that:

(a) Subscriber gives AeroCloud prompt written notice of any such claim;

(b) Subscriber grants AeroCloud full, complete and sole control to defend and settlement any such claim;

(c) upon AeroCloud's reasonable request, Subscriber provides assistance, at AeroCloud's expense, in connection with the defence and settlement of such claim; and

(d) Subscriber complies with any settlement or court order made in connection with any such claim (e.g., relating to the future use of any infringing Subscription Services).

11.1.2 In the defense or settlement of any claim, AeroCloud may procure the right for Subscriber to continue using, replace or modify the Software, Subscription Services and/or Documentation (as the context requires) so that they become non-infringing or, if such remedies are not reasonably available, terminate this Agreement on prior written notice to Subscriber without any additional liability or obligation to pay damages or other additional costs to Subscriber.

11.2 Exclusions from Obligations

11.2.1 AeroCloud shall have no obligation under this Section 11 for any infringement or misappropriation to the extent that the infringement or misappropriation arises out of or is based upon:

(a) use of the Subscription Services, Software or Documentation in combination with other products or services not provided by AeroCloud;

(b) designs, requirements or specifications required by or provided by Subscriber;

(c) use of the Services by Subscriber (or an Authorized User) for a purpose (or purposes) not intended or outside the scope of the license granted to Subscriber;

(d) Subscriber's (or an Authorized User's) failure to use the Subscription Services and/or Documentation in accordance with this Agreement and any instructions provided by AeroCloud; and/or

(e) any modification of the Software, Subscription Services and/or Documentation not made or authorized in writing by AeroCloud.

11.3 Limited Remedy

Subject to Section 13.1(c), this Section 11 states AeroCloud's sole and exclusive liability, and Subscriber's sole and exclusive remedy, for the actual or alleged infringement or misappropriation of any intellectual property right or right of confidentiality.

12. SUBSCRIBER INDEMNIFICATION

12.1 Subscriber Indemnification of Infringement Claims

12.1.1 Subscriber shall, at its expense, defend AeroCloud (and its affiliates) against any third party claims arising out of or in connection with Subscriber's (or an Authorized User's) use of the Software, Services, Documentation to the extent that the third party claim arises out of or is based upon any of the circumstances set out in Section 11.2.111.2(a) to Section 11.2.111.2(e) (inclusive) and/or any breach of its obligations set out in this Agreement and/or the use, receipt, provision, processing and/or making available the Subscriber Data and shall indemnify AeroCloud (and its affiliates) from and against any and all claims, actions, proceedings, losses, damages, expenses, liabilities and/or costs (including without limitation court costs and reasonable legal fees) in judgement or settlement of such claims.

12.1.2 In respect of any third-party claim under Section 12.1.1, AeroCloud shall:

(a) give Subscriber prompt written notice of any such claim;

(b) grant Subscriber full and complete control over the defense and settlement of any such claim;

(c) upon Subscriber's reasonable request, provide assistance, at Subscriber's expense, in connection with the defense and settlement of any such claim;

(d) comply with any settlement or court order made in connection with any such claim; and

(e) not defend or settle any such claim without Subscriber's prior written consent (such consent not to be unreasonably withheld or delayed),

provided that AeroCloud shall have the right to participate in the defense of any such claim at its own expense and with counsel of its own choosing.

12.1.3 Subscriber shall have no obligation under this Section 12 for any third party claim that is solely based upon AeroCloud's use of the Subscriber Data in breach of its obligations set out in this Agreement.

13. LIMITATIONS OF LIABILITY

13.1 Nothing in this Agreement purports to exclude or limit:

(a) either party's liability for death or physical injury as a result of its negligence;

(b) either party's liability for willful misconduct, fraud or fraudulent misrepresentation;

(c) either party's liability for any liability that cannot be excluded by applicable law;

(d) either party's liability for breach of Section 14 by that party;

(e) Subscriber's obligation to pay the Fees due and payable under this Agreement;

(f) liability in respect of any indemnification obligations under Section 11 and Section 12; or

(g) Subscriber's (or any Authorized User's) breach of any of its obligations under Section 2.

13.2 *Subject to Sections 13.1, 13.3, 13.4 and 13.5, neither party shall be liable under this Agreement in contract or tort (including negligence and breach of statutory duty) for any:*

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(a) Indirect, exemplary, incidental, special, punitive, reliance or consequential damages;

(b) loss of data (other than the costs of reconstituting data to the last available back-up);

(c) loss of goodwill; and/or

(d) loss of profit, business or revenue,

(in the case of Sections 13.2(b), 13.2(c) and 13.2(d) whether direct or indirect) arising under or in connection with this Agreement.

13.3 *Subject to Sections 13.1, 13.2, 13.4 and 13.5, each party's total aggregate liability in contract, tort (including negligence or breach of statutory duty) or otherwise arising under or in connection with this Agreement in respect of all Defaults (when taken together and not for each and every Default) that first occur during any contract year shall not exceed one hundred percent (100%) of the total Fees (excluding Fees for the Hardware) paid or payable by Subscriber to AeroCloud during the previous contract year, provided that if no Fees have been paid by Subscriber in the previous contract year (or there is no previous contract year which shall be the case in respect of the first contract year) the aggregate liability shall be fifty thousand pounds (£50,000). The parties acknowledge and agree that should a Default occur in one (1) contract year and continue into one (1) or more other contract years the liability cap for the contract year in which the Default first occurred shall apply to all liabilities arising from such Default.*

13.4 *Subject to Sections 13.1, 13.2, 13.3 and 13.5, AeroCloud's total aggregate liability in contract, tort (including negligence or breach of statutory duty) or otherwise arising under or in connection with this Agreement during any POC Period shall not exceed one hundred percent (100%) of the total fees paid by Subscriber to AeroCloud for any such proof of concept.*

13.5 Except as expressly provided in this Agreement:

(a) Subscriber assumes sole responsibility for results obtained from the use of the Services, the Software and the Documentation, and for conclusions drawn from such use. AeroCloud shall have no liability for any damage caused by errors or omissions in any information, instructions, or data provided to AeroCloud by or on behalf of Subscriber or an Authorized User in connection with the Services, or any actions taken by AeroCloud at Subscriber's direction.

14. CONFIDENTIALITY

14.1 Each party shall maintain as confidential and shall not disclose, copy or use any of the other party's confidential information, including the terms and conditions of this Agreement, that it may access or receive in connection with this Agreement except as needed in connection with the performance of its obligations or exercise of its rights under this Agreement. A party's Confidential Information shall not be deemed to include information that:

(a) is or becomes publicly known other than through any act or omission of the receiving party;

(b) was in the other party's lawful possession before the disclosure;

(c) is lawfully disclosed to the receiving party by a third party without restriction on disclosure; or

(d) is independently developed by the receiving party, which independent development can be shown by written evidence.

14.2 A party may disclose the other party's confidential information only to those employees, contractors, subcontractors, service providers and professional advisors of such party who need to know such information and shall not disclose any of the other party's confidential information to any third party unless such third party is bound by written confidentiality and limited use obligations at least as stringent as those contained herein.

14.3 A party may disclose confidential Information to the extent such confidential information is required to be disclosed by applicable law provided that, to the extent the relevant party is legally permitted to do so, the disclosing party gives the other as much notice of such disclosure as possible and, where notice of disclosure is not prohibited and is given in accordance with this Section 14.3, takes into account the reasonable requests of the other in relation to the content of such disclosure.

14.4 Each party shall protect the other party's confidential information with the same degree of care (but no less than a reasonable degree of care) that such party uses to protect its own confidential information.

14.5 The confidentiality obligations shall survive the termination or expiration of this Agreement.

15. GENERAL

15.1 Data Processing

15.1.1. Subscriber shall be the Data Controller, and AeroCloud shall be the Data Processor, of the Subscriber Personal Data processed by AeroCloud in connection with the Services. Subscriber is solely responsible for ensuring that it complies with applicable Data Protection Law in processing and transferring Subscriber Personal Data to AeroCloud.

15.1.2. Subscriber, as Data Controller, determines the purposes of collecting and processing Subscriber Personal Data in the Services. The data processing Annex to the applicable Commercial Addendum specifies the categories of Data Subjects and the types of the Subscriber Personal Data to be processed by AeroCloud and the technical and organisational security measures AeroCloud applies to the Services, unless this Agreement states otherwise.

15.1.3. AeroCloud will follow documented instructions received from Subscriber with respect to Subscriber Personal Data, unless they are (i) legally prohibited or (ii) require material changes to the Services. AeroCloud may correct or remove any Subscriber Personal Data in accordance with the Subscriber's instruction. If AeroCloud cannot comply with an instruction or considers that complying with an instruction will breach Data Protection Law, it will promptly notify Subscriber (email permitted).

15.1.4. To process Subscriber Personal Data, AeroCloud will only use personnel who are bound to observe data and telecommunications secrecy under the Data Protection Law.

15.1.5. AeroCloud will use the appropriate technical and organizational measures stated in the data processing Annex to the applicable Commercial Addendum. This Annex applies to the production system of the Services.

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Subscriber should not store any Subscriber Personal Data in non-production environments.

15.1.6. AeroCloud provides the Services to AeroCloud's entire customer base hosted out of the same data center and receiving the same Services. Subscriber agrees AeroCloud may improve the measures taken in the data processing Annex to the applicable Commercial Addendum in protecting Subscriber Personal Data so long as it does not diminish the level of data protection.

15.1.7. AeroCloud will promptly inform Subscriber if it becomes aware of any Security Breach.

15.1.8. At Subscriber's request, AeroCloud will reasonably support Subscriber in dealing with requests from Data Subjects or regulatory authorities regarding AeroCloud's processing of Subscriber Personal Data and, taking into account the nature of the Services, provide reasonable assistance to the Subscriber, insofar as this is possible and at the Subscriber's cost, for the fulfilment of the Subscriber's obligations under Data Protection Law in respect of data security; data breach notification; data protection impact assessments; and prior consultation with regulatory authorities.

15.1.9. AeroCloud is authorised by the Subscriber to engage those subcontractors listed in the data processing Annex to the applicable Commercial Addendum to process the Subscriber Personal Data on its behalf ("Subprocessors"). AeroCloud shall ensure all Subprocessors are subject to contractual obligations which are the same as or equivalent to those imposed on AeroCloud under Sections 15.1.1 to 15.1.11. AeroCloud shalls inform Subscriber of any intended changes concerning the addition or replacement of any Sub-processor within a reasonable time prior to implementation of such change. In the event of Subscriber objecting to such change, AeroCloud shall make reasonable efforts to address Subscriber's concerns (including making all reasonable efforts to find an alternative Subprocessor).

15.1.10. Upon termination or expiry of this Agreement, at Subscriber's option AeroCloud shall promptly return or permanently and securely delete the Subscriber Personal Data, and delete any existing copies in its possession (including backups) unless required to retain such Subscriber Personal Data under applicable law.

15.1.11. Subscriber or its independent third party auditor may audit AeroCloud's security practices relevant to Subscriber Personal Data processed by AeroCloud only if:

(a) AeroCloud has not provided sufficient evidence of its compliance with (1) the technical and organizational measures that protect the production systems of the Services and/or (2) AeroCloud' obligations under Data Protection Law in relation to the Subscriber Personal Data, through providing either: (i) a certification as to compliance with ISO 27001 or other standards (scope as defined in the certificate). Upon Subscriber's request ISO certifications are available through AeroCloud;

(b) a Security Breach has occurred;

(c) Subscriber has reasonable grounds to suspect that AeroCloud is not in compliance with its obligations under Sections 15.1.1 to15.1.11;

(d) an audit is formally requested by Subscriber's data protection authority; or

(e) mandatory Data Protection Law provides Subscriber with a direct audit right.

15.1.12. The Subscriber audit carried out in accordance with Section 15.1.11 will be limited to once in any twelve (12) month period, and limited in time to a maximum of three (3) business days and scope as reasonably agreed in advance between the parties. Reasonable advance notice of at least sixty (60) days is required, unless Data Protection Law requires earlier audit. AeroCloud and Subscriber will use current certifications or other audit reports to minimize repetitive audits.

15.1.13. Subscriber and AeroCloud will each bear their own expenses of audit, unless the Subscriber is auditing under Section 15.1.11(c) (unless such audit reveals a breach by AeroCloud in which case AeroCloud shall bear its own expenses of audit), 15.1.11(d) or 15.1.11(e). In those cases, Subscriber will bear its own expense and the cost of AeroCloud's internal resources required to conduct the audit. If an audit determines that AeroCloud has breached its obligations under this Agreement, AeroCloud will promptly remedy the breach at its own cost.

15.2 Relationship

Nothing in this Agreement is intended to create a partnership, joint venture or legal relationship of any kind between the parties that would impose liability on one party for the act or failure to act of the other party, or to provide either party with the right, power, or authority (express or implied) to create any duty or obligation of or other bind the other party.

15.3 Assignment and other dealings

15.3.1. Subject to Section 15.3.2 and Section 15.3.3, neither party may assign, novate, transfer, charge, sub-contract or otherwise dispose of or create any trust in relation to any or all of its rights and/or obligations under this Agreement, without the prior written consent of the other party (such consent not to be unreasonably withheld or delayed).

15.3.2. Notwithstanding Section 15.3.1, AeroCloud shall have the right to assign, novate or otherwise dispose of any of its rights and/or obligations under this Agreement without Subscriber's consent:

(a) to an affiliate; or

(b) in connection with any acquisition, merger, consolidation, sale of all or substantially all of AeroCloud's assets, or change in its control or any assignment by operation of law.

15.3.3. Notwithstanding Section 15.3.1, AeroCloud shall have the right to sub-contract the performance of any of the Services and any of its obligations under this Agreement to third parties without Subscriber's consent. AeroCloud shall remain liable under this Agreement for all acts and omissions of such sub-contractors as if such acts and omissions were its own.

15.4 Notices

Any notice required or permitted to be given in accordance with this Agreement shall be effective if it is in writing and sent by prepaid first-class post or recorded delivery post or by prepaid mail courier, to the appropriate party at the address set forth on the signature page to this Agreement. Either party may change its address for receipt of notice by notice to the other party in accordance with this Section 15.4. Notices are deemed

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to have been received (2) two business days following the date of mailing.

15.5 Force Majeure

Except with respect to Subscriber's payment obligations, neither party shall be liable for, or be considered to be in breach of or default under this Agreement on account of, any delay or failure to perform any of its obligations as required by this Agreement, as a result of any event beyond its reasonable control, so long as that party uses commercially reasonable efforts to mitigate the impact of the non-performance, and provides prompt written notice to the other party upon becoming aware of such event. Such written notice shall contain details of the event and its anticipated duration.

15.6 Dispute Resolution

In the event of any dispute arising under or relating to this Agreement, the parties shall attempt to resolve such dispute informally in good faith and without recourse to legal proceedings. Where either party considers that a dispute cannot be resolved informally in accordance with this Section 15.6 within acceptable timescales, the dissatisfied party may escalate the dispute to the other party's designated representative from time to time. Nothing in this Section 15.6 shall prevent either party from seeking injunctive or interim relief or raising court proceedings.

15.7 Waiver and Cumulative Remedies

15.7.1. The waiver by either party of any right or remedy under this Agreement does not waive any other right or remedy. The failure or delay in exercising any right or remedy shall not waive that or any other right or remedy. A waiver of any right or remedy under this Agreement is only effective if it is in writing.

15.7.2. The rights and remedies arising under, or in connection with, this Agreement are cumulative and, except where otherwise expressly provided in this Agreement, do not exclude any rights or remedies provided by law (including equitable remedies) or otherwise.

15.8 Severability

If any provision of this Agreement is found to be illegal, unenforceable, or invalid, the remaining portions of this Agreement shall remain in full force and effect with whatever modification is necessary to give effect to the commercial intentions of the parties. If any material limitation or restriction on the use of the Services under this Agreement is found to be illegal, unenforceable or invalid, Subscriber's right to access and use the Services shall immediately terminate.

15.9 Counterparts

This Agreement may be executed in any number of identical counterparts, notwithstanding that the parties have not signed the same counterpart, with the same effect as if the parties had signed the same document. All counterparts shall be construed as and constitute the same agreement. This Agreement may also be executed and delivered by electronic means and such execution and delivery (but for the avoidance of doubt, not just delivery of the execution page) shall have the same force and effect of an original document with original signatures.

15.10 Entire Agreement

15.10.1. This Agreement, including all Exhibits hereto and Commercial Addendums constitutes the entire agreement between the parties relating to the subject matter contemplated by this Agreement and supersedes and extinguishes any previous agreement, warranty, statement, representation, understanding or undertaking (whether written or oral) given or made before the Effective Date by or on behalf of the parties and relating to its subject matter.

15.10.2. No representation, undertaking or promise shall be taken to have been given or be implied from anything said or written in negotiations between the parties prior to this Agreement except as expressly stated in this Agreement.

15.10.3. Neither party shall have any remedy in respect of any untrue statement made by the other upon which that party relied in entering into this Agreement (unless such untrue statement was made fraudulently) and that party's only remedies shall be for breach of contract as provided in this Agreement.

15.11 Amendments

Any amendment or modification to this Agreement shall be in writing and signed by or on behalf of both parties to this Agreement.

15.12 Third Party Rights

This Agreement is made for the benefit of the parties to it and is not intended to benefit or be enforceable by any other person.

15.13 Governing Law and Jurisdiction

15.13.1. This Agreement and any disputes or claims arising out of or in connection with its subject matter are governed by and construed in accordance with the laws of the state of Tennessee.

15.13.2. The parties irrevocably agree that the state and federal courts located in the state of Tennessee have exclusive jurisdiction to settle any dispute or claim that arises out of or in connection with this Agreement.

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SIGNATURE PAGE

Signature:	
AeroCloud	**Subscriber**
Name: George Richardson	Name: Christopher Stipo
Title: CEO	Title:
Signature: DocuSigned by: George Richardson 19C8371EF38D4B2...	Signature:
Date: 8/21/2025	Date:
Address: 1201 N Orange Street, Wilmington, Delaware, 19801--1186	Address:

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EXHIBIT - COMMERCIAL ADDENDUM

This Commercial Addendum shall incorporate by reference, terms agreed in the 'Framework Agreement' attached above dated the Effective Date for the provisions of subscription services and ancillary support services between: (1) AeroCloud Systems Inc. (**AeroCloud**); and (2) Tri Cities Airport Authority (**Subscriber**) ("**Framework Agreement**").

If you are entering into the Commercial Addendum for an entity, such as the company you work for, you represent that you have legal authority to bind that entity.

The Commercial Addendum may be executed in any number of counterparts, each of which when executed shall constitute a duplicate original, but all the counterparts shall together constitute the one Commercial Addendum. Transmission of the executed signature page of a counterpart of the Commercial Addendum by email (in PDF, JPEG or other agreed format) shall take effect as delivery of an executed counterpart of the Commercial Addendum. If either method of delivery is adopted, without prejudice to the validity of the Commercial Addendum made, each party shall provide the other with the original of such counterpart as soon as reasonably possible thereafter. No counterpart shall be effective until each party has executed at least one (1) counterpart.

Service Term	
Commencement Date	The date of the last signature to this Commercial Addendum
Initial Service Term	3 (Three) years from and including the Commencement Date

Services:

Implementation Services

Implementation Services:

- Project Management
- Software and Equipment Configuration
- Airline Onboarding
- Remote Testing
- Onsite Implementation and Airline Testing
- Onsite Training System Users
- Go Live

Subscription Services

AeroCloud CUPPS: 10 workstations

PPSM: Yes

Additional Subscription Services

If the Subscriber wishes to deploy up to 10 additional units ("**Additional Unit**") after the Commencement Date of this Commercial Addendum, the next license shall increase per unit per year as per table below ("**Additional Annual License**").

The Additional Annual License figure will be pro-rated based on the month from which the additional unit has been added. For the avoidance of doubt this is only applicable to the Initial Service Term and not for any renewal periods.

If the number of total Additional Units exceeds 10, the additional license figure shall be discussed separately.

Additional Unit	Additional Annual Licence per Additional Unit (year 1-3)	Additional Annual Licence per Additional Unit (year 4-5)
CUPPS	$1,965.00	$2,063.00

Support Services

Annex applies to this Commercial Addendum and replaces the priority levels, target response and target resolution times set out in Section 4.3 in respect of the Passenger Processing Solutions only. For the avoidance of doubt, the remainder of Section 4 of the Framework Agreement shall apply in entirety to the Passenger Processing Solutions.

Hardware

Description and quantity:

Docusign Envelope ID: 2B319144-1EBE-48AB-BC62-CB0F28EF6E77

PC/workstation (with Mouse & Keyboard): PC (Workstation) - Dell i5 x10

Monitor: Monitor - 24" Dell x10

Boarding Pass Printer: Boarding Pass Printer – CUSTOM x10

Bag Tag Printer w/ Roll Holder: Bag Tag Printers with Roller Kits - TK180 METAL RFID x10

Barcode Scanner/Boarding Gate Reader: Barcode Scanner/BGR – Zebra x6

Handscanner: Handscanner – Zebra x4

Document Printer: Document Printer - Epson LX-350 x6

Passport Swipe Reader: Passport Swipe Reader – Desko x10

AeroCloud AEA Middleware: x10

Firewall/Router: x2

Cables: x10

AeroCloud Mobile Cart: x2

APC Smart-UPS, Line Interactive, 1500VA, Rackmount 2U, 230V, 4x IEC C13 outlets, SmartSlot, AVR, LCD: x2

Delivery location: 2525 TN-75 Suite 301, Blountville, TN 37617, United States

Scope Limitations:

n/a

Master Users:

To be determined by Tri Cities Airport Authority

Fees, currency, invoicing and payment terms:

Service	**Fees**	**Currency**	**Invoicing Frequency**	**Payment Terms**
Implementation Services	$6,000.00	USD	On the commencement date	Upon commencement date Payment by ACH / Wire only. Checks are not accepted.
Subscription Services (which is inclusive of any fees for the Support Services) Year 1	$35,000.00	USD	On the commencement date	Upon commencement date
Subscription Services (which is inclusive of any fees for the Support Services) Year 2	$35,000.00	USD	Annually in line with commencement date	Annually in line with commencement date
Subscription Services (which is inclusive of any fees for the Support Services) Year 3	$37,100.00	USD	Annually in line with commencement date	Annually in line with commencement date
Hardware	**Fees**	**Currency**	**Invoicing Frequency**	**Payment Terms**
PC (Workstation) – Dell i5	$12,660.00	USD	One-off	Upon receipt of invoice
Monitor – 24‘‘ Dell	$3,070.00	USD	-	-
Boarding Pass Printer – CUSTOM	$16,130.00	USD	-	-

Docusign Envelope ID: 2B319144-1EBE-48AB-BC62-CB0F28EF6E77

Bag Tag Printers with Roller Kits – TK180 METAL RFID	$17,300.00	USD	-	-
Barcode Scanner/BGR - Zebra	$3,252.00	USD	-	-
Handscanner - Zebra	$1,272.00	USD	-	-
Document Printer – Epson LX-350	$1,734.00	USD	-	-
Passport Swipe Reader	$6,550.00	USD	-	-
Mobile Cart	$21,844.00	USD	-	-
UPS - APC	$2,800.00	USD	-	-
Firewall	$1,048.00	USD	-	-
AeroCloud AEA Middleware	$1,200.00	USD	-	-
Cables	$600.00	USD	-	-

Signature:

AeroCloud	**Subscriber**
Name: George Richardson	Name: Christopher Stipo
Title: CEO	Title:
Signature: DocuSigned by: George Richardson 19C8371EF38D4B2...	Signature:
Date: 8/21/2025	Date:

Docusign Envelope ID: 2B319144-1EBE-48AB-BC62-CB0F28EF6E77

ANNEX – PASSENGER PROCESSING SOLUTION SUPPORT SERVICE LEVELS

1. **Purpose of this Annex**

The purpose of this Annex is to set out the service levels for the supply of the Incident support services by AeroCloud to the Subscriber in respect of the Passenger Processing Solutions only. For the avoidance of doubt, the support service levels set out in Section 4.4 shall apply to all Subscription Services (except for the Passenger Processing Solutions) provided by AeroCloud to the Subscriber.

2. **Support Hours**

Unless otherwise agreed by AeroCloud in writing, the support services set out in paragraphs 3 and 4 of this Annex will be provided between 08.00 - 18.00 (UK Time) during AeroCloud's normal business days, except for critical and severe Incidents which shall be provided 24/7 by AeroCloud.

Subscriber must notify AeroCloud of all critical Incidents by phone to ensure the Incident is handled promptly.

3. **Priority Levels and Target Response Times**

The priority levels and target response times which apply to all Incidents relating to Passenger Processing Solutions only are as follows:

Reporting Method	Priority Level	Target Response Time*
Telephone		
	Priority 1 (Critical)	15 minutes
	Priority 2 (Severe)	15 minutes
	Priority 3 (Medium)	4 working hours
	Priority 4 (Minor)	8 working hours
Email		
	Priority 1 (Critical)	4 hours
	Priority 2 (Severe)	4 hours
	Priority 3 (Medium)	4 working hours
	Priority 4 (Minor)	8 working hours

*target response times shall apply from when the Incident notification is received by AeroCloud. Where AeroCloud sends a Response by email, such Response shall be deemed to have been received by the Subscriber if AeroCloud has not received an error message.

AeroCloud shall only be required to Respond to the applicable Incident using one of the reporting methods above and the reporting method shall be chosen by AeroCloud (at its discretion).

4. **Priority Levels and Target Resolution Times**

The priority levels and target resolution times which apply to all Incidents relating to Passenger Processing Solutions only are as follows:

Priority Level	Target Resolution Time*	Update Frequency
Priority 1 (Critical)	2 hours	30 minutes
Priority 2 (Severe)	4 hours	60 minutes
Priority 3 (Medium)	2 working days	Daily during working days
Priority 4 (Minor)	1 month	Weekly
Requests	Advised on request received	Advised on request received

*target resolution times shall apply from the point AeroCloud Responds to an Incident.

AeroCloud shall provide the Subscriber with regular updates on the Resolution status of the applicable Incident in accordance with the update frequency timescales set out in the above table.

14 5. Priority Levels

For the purpose of paragraphs 3 and 4 of this Annex, the priority levels shall be defined as follows:

Priority Level	Priority Level Description

Docusign Envelope ID: 2B319144-1EBE-48AB-BC62-CB0F28EF6E77

Priority 1 (Critical)	An Incident which would make the applicable Passenger Processing Solution inoperable or unworkable. Critical Business Impact: Total system failure and interruption of business- critical applications affecting all customers or gateways to partner networks. Alternative or bypass is unavailable. Impact is to all customers.
Priority 2 (Severe)	An Incident which would make the applicable Passenger Processing Solution operationally inconvenient in use. Severe Business Impact: Complete or partial service interruption of business-critical applications affecting multiple customers or gateway to partner networks. Acceptable bypass is available. Impact is to more than 50% of customers or devices.
Priority 3 (Medium)	An Incident which is inconvenient but does not reduce the system's operational capacity. Medium Business Impact: Partial service interruption of business-critical applications affecting a single customer or gateway to partner networks. Operational impact is minimal with no immediate impact on service delivery. Workaround is available. Impact is to less than 50% of customers or devices.
Priority 4 (Minor)	An Incident of a minor nature. Minimal Business Impact: Component, procedure, or personal application not critical to a customer is unusable. Alternative is available; deferred maintenance is acceptable (problems reported to suppliers). Impact is to individual customer and service delivery minimal; possible minor inconvenience.
Requests	Non-operational requests such as requests for information, additional users etc. No Business Impact: Non-service affecting faults. Alternative or bypass is not applicable. Impact to customer is non-existent.

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ANNEX – DATA PROCESSING PARTICULARS

This Annex includes certain details of the processing of Subscriber Personal Data as required by Data Protection Law and AeroCloud's technical and organizational measures.

1. **DATA PROCESSING PARTICULARS**

Subject matter and duration of the Processing of the Personal Data

The subject matter and duration of the processing of the Subscriber Personal Data are set out in this Agreement.

The nature and purpose of the Processing of the Personal Data

The nature and purpose of the processing of the Subscriber Personal Data are set out in this Agreement.

The categories of Data Subject to whom the Subscriber Personal Data relates

Subscriber's Authorised Users of the Services.

The types of Subscriber Personal Data to be processed may include the following (as applicable):

User name, password, cell phone no. and any other applicable log-in credentials.

Authorised Subprocessors

Amazon Web Services, Microsoft Azure

2. **TECHNICAL AND ORGANIZATIONAL MEASURES**

The following sections define the AeroCloud's current security measures. AeroCloud may change these at any time without notice so long as it maintains a comparable or better level of security. This may mean that individual measures are replaced by new measures that serve the same purpose without diminishing the security level.

2.1. Physical Access Control.

AeroCloud's Cloud Infrastructure is hosted on Amazons AWS and is access controlled by their own policies and procedures which can be found at https://aws.amazon.com/compliance and https://aws.amazon.com/security/

2.2. System Access Control.

Data processing systems used to provide the AeroCloud Services must be prevented from being used without authorization.

Measures:

- Multiple authorization levels are used when granting access to sensitive systems, including those storing and processing Subscriber Personal Data. AeroCloud controls the creation of users within the system to ensure only valid authorized users have the appropriate access.
- All users access AeroCloud's systems with a unique identifier (user ID).
- AeroCloud has procedures in place to ensure that requested authorization changes are implemented only in accordance with the guidelines (for example, no rights are granted without authorization). If a user leaves the company, his or her access rights are revoked.
- The AeroCloud network is protected from the public network by firewalls.
- Security patch management is implemented to ensure regular and periodic deployment of relevant security updates.
- Full remote access to AeroCloud's critical cloud infrastructure is protected by strong authentication.

2.3. Data Access Control.

Persons entitled to use data processing systems gain access only to the Subscriber Personal Data that they have a right to access, and Subscriber Personal Data must not be read, copied, modified or removed without authorization in the course of processing, use and storage.

Measures:

- Access to personal, confidential or sensitive information is granted on a need-to-know basis. In other words, employees or external third parties have access to the information that they require in order to complete their work.
- All production servers are operated in the Data Centers or in secure server rooms. Security measures that protect applications processing personal, confidential or other sensitive information are regularly checked.
- AeroCloud does not allow the installation of personal software or other software that has not been approved by AeroCloud.

2.4. Data Transmission Control.

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Except as necessary for the provision of the Services in accordance with this Agreement, Subscriber Personal Data must not be read, copied, modified or removed without authorization during transfer. Subscriber Personal Data transfer over AeroCloud internal networks are protected in the same manner as any other confidential data.

- When data is transferred between AeroCloud and its customers, the protection measures for the transferred Subscriber Personal Data are mutually agreed upon and made part of the relevant Agreement. This applies to both physical and network based data transfer. In any case, the Subscriber assumes responsibility for any data transfer once it is outside of AeroCloud-controlled systems (e.g. data being transmitted outside the firewall of the AeroCloud Data Center).

2.5. Data Input Control.

It will be possible to retrospectively examine and establish whether and by whom Subscriber Personal Data have been entered, modified or removed from AeroCloud data processing systems.

Measures:

- AeroCloud only allows authorized persons to access Subscriber Personal Data as required in the course of their work.
- AeroCloud has implemented a logging system for input & modification, or blocking of Subscriber Personal Data by AeroCloud within AeroCloud's products and services to the fullest extent possible.

2.6. Availability Control.

Personal Data will be protected against accidental or unauthorized destruction or loss.

Measures:

- AeroCloud employs backup processes and other measures that ensure rapid restoration of business critical systems as and when necessary.
- The Data Centers use uninterrupted power supplies (for example: UPS, batteries, generators, etc.) to ensure power availability.
- AeroCloud has defined contingency plans as well as business and disaster recovery strategies for the provided services.

2.7. Data Separation Control.

Subscriber Personal Data collected for different purposes can be processed separately.

Measures:

- AeroCloud uses the technical capabilities of the deployed software (for example: multi- tenancy, or separate system landscapes) to achieve data separation among Subscriber Personal Data originating from multiple customers.
- Subscribers have access only to their own data.
- If Subscriber Personal Data is required to handle a support incident from a specific customer, the data is assigned to that particular message and used only to process that message; it is not accessed to process any other messages. This data is stored in dedicated support systems.

2.8. Data Integrity Control .

Subscriber Personal Data will remain intact, complete and current during processing activities.

Measures:

AeroCloud has implemented a multi-layered defence strategy as a protection against unauthorized modifications.

In particular, AeroCloud uses the following to implement the control and measure sections described above. In particular:

- Firewalls;
- Security Monitoring Center;
- Antivirus software;
- Backup and recovery;
- External and internal penetration testing.

Tri-Cities Airport Authority
August 28, 2025

CONSIDER:
Common Use Passenger Processing System (CUPPS)
Award Mead & Hunt – Integration and Acceptance Testing Support Services

Summary:

A design/bid agreement with Mead & Hunt for CUPPS has previously been approved by the board. CUPPS helps promote a common use gate environment by giving an airline the ability to use any gate, maximizing capacity. Additionally, it simplifies the process a new airline would have to go through when starting service at the airport. Mead & Hunt prepared an Integration and Acceptance Testing Support Services agreement to provide project execution and administration, system implementation support, system acceptance testing, and close-out support services in the amount of $35,320. The Integration and Acceptance Testing Support Services will be funded through future Passenger Facility Charge (PFC), and the following is the funding plan.

CUPPS – Funding Plan

Airport Administration (Advertise/Legal)	$ 10,000.00
Construction Administration	$ 35,320.00
Concourse Gate Internet Installation	$ 71,267.25
AeroCloud One Time Costs	$106,233.49
CUPPS Annual License – Year 1	$ 35,000.00
CUPPS Annual License – Year 2	$ 35,000.00
CUPPS Annual License – Year 3	$ 37,100.00
Total Cost	$369,615.49

CUPPS – Funding Plan

Future PFC	$262,515.74
FY26 Terminal Area Expenses	$ 35,000.00
FY27 Terminal Area Expenses	$ 35,000.00
FY28 Terminal Area Expenses	$ 37,100.00
Total Cost	$369,615.49

The Tri-Cities Airport Authority's legal counsel will review the contract with Mead & Hunt prior to execution.

Recommendation:

Authorize the Board Chair to execute a contract with Mead & Hunt for Integration and Acceptance Testing Support Services in the amount of $35,320.

Submitted By: Chris Stipo
Director of Operations

June 12, 2025

Chris Stipo
Tri-Cities Airport Authority
2525 Highway 75, Suite 301
Blountville, TN 37617

Subject: TRI- Phase 3: Common Use System Integration and Acceptance Testing Support Services

Dear Chris Stipo,

Mead & Hunt, Inc. (Mead & Hunt) is pleased to submit this proposal to provide professional consulting services for providing ***Phase 3: Common Use System Integration and Acceptance Testing Support Services***.

PROJECT UNDERSTANDING

The Tri-Cities Airport Authority (TCAA) is interested in implementing a common use solution to enhance the flexibility for using existing check-in and gate counters while also optimizing passenger processing. As part of this initiative, a Common Use Implementation Project Engineering Report (PER) (Phase 1) was prepared by Mead & Hunt followed by the development of Construction Documentation (Phase 2) for implementing common use at one (1) check-in counter, two (2) gate counters and providing one (1) mobile common use workstation. The Issued for Bid Construction Documentation was submitted to TCAA in June 2025.

This Scope of Work is considered the next stage of the common use implementation program and is referenced as ***Phase 3: Common Use System Integration and Acceptance Testing Support Services***.

The proposed Phase 3 services encompass supporting TCAA with the implementation of a cloud-based common use solution that considers future expansion with integrated solutions including, but not limited to, Common Use Self Service (CUSS) kiosks, Audio Paging System (APS), Resource Management System (RMS), Electronic Visual Information Display System (EVIDS), Content Management System (CMS), Queue Management, Airport Operational Database (AODB) and Local Departure Control System (LDCS).

SCOPE OF SERVICES

After receipt of a Notice to Proceed, Mead & Hunt shall carry out the following tasks including all referenced deliverables:

- **TASK 1: Project Execution and Administration**
- **TASK 2: Provide System Implementation Support**
- **TASK 3: Coordinate and Conduct System Acceptance Testing**
- **TASK 4: Provide Project Close-out Support Services**

Each of the identified tasks are described in detail below:

Task 1: Project Execution and Administration

Project Administration will take place throughout the course of this project. We will coordinate project progress and issues with TCAA, manage the team activities, provide oversight and quality control, check documents, and organize project information. We will also communicate with other project team members and disseminate updated information and report data as required. Specific tasks related to Project Management are listed below:

- Project invoicing and accounting.
- Owner and subconsultant communications.
- Direction to and coordination of in-house personnel.
- Manage project budget and schedule.
- Coordination and facilitation of quality checks at the end of each task.

Project Initiation and Execution:

The preliminary activity will ensure project expectations are aligned between all stakeholders and to identify project management elements that support managing the project schedule, budget, and all deliverables including:

- Developing project execution documents including, Stakeholder Engagement Plan, Work Breakdown Structure (WBS), Pre-Installation Meeting Agenda and a Common Use System Implementation Schedule.
- Coordinating and participating in an onsite or online pre-installation meeting with the selected common use Vendor and TCAA Project Stakeholders.
- Coordinating and leading system implementation progress meetings that will review current and planned system implementation activities including any anticipated issues/concerns.
- Preparation and distribution of Minutes of Meeting for project progress meetings.

Deliverables: Stakeholder Engagement Plan, Work Breakdown Structure (WBS), Pre-Installation Meeting Agenda, Common Use System Implementation Schedule

Task 2: Provide Common Use System Implementation Support

In coordination with TRI, Mead & Hunt will provide ongoing support for the common use system implementation project including:

- Supporting TRI with pre-installation activities including ensuring that the common use check-in and gate counters are ready to accommodate all common use equipment including workstations, intelligent keyboards, bag tag printers, boarding pass printers, document printers, bar code readers and any backwall displays.
- Providing reviews of common use related product submittals, Request for Information (RFI's), shop drawings, Change Orders (CO's) and Field Orders (FO's).
- Conduct one (1) onsite field walks with Vendor and TRI stakeholders.

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- Prepare one (1) Field Observation Report based on the onsite field walks identifying current work progress, deficiencies, and recommendations for remediating deficiencies.
- All project related documents will be managed via Mead & Hunts Newforma Project Management Information System.

Deliverables: Reviewed Project Submittals, Field Observation Reports

Task 3: Coordinate and Conduct System Acceptance Testing

Acceptance testing will be conducted to ensure that all common use system requirements have been implemented, and all equipment are fully functional and operable as per the project contract documents. System acceptance tasks include the following:

- Coordinate and document a Soft Launch date with TCAA and Vendor.
- Develop a test script defining all common use functionalities.
- Coordinate and conduct On-site System Acceptance Testing with TCAA and Vendor.
- Complete test script identifying all common use functionalities and equipment and whether they received a PASS / FAIL designation.
- Based on the results of the common use system acceptance testing, Mead & Hunt will coordinate with the Vendor to ensure that all FAIL items are resolved prior to the Soft Launch date.
- During Soft Launch the common use system will be re-evaluated, monitored, and refined by the Vendor to ensure that all common use system components and configurations are ready for Full System Launch.

Deliverables: System Acceptance Test Script, Post-Acceptance Testing Script

Task 4: Provide Project Close-out Support Services

Once acceptance testing and soft launch has been completed, Mead & Hunt will coordinate with the Vendor to ensure that all project close-out activities are completed including:

- Coordinate common use training for TCAA staff.
- Obtain all equipment and software documentation.
- Obtain warranties for all installed equipment.
- Obtain any keys for equipment.
- Obtain as-built drawings as-needed.

All information will be documented and delivered to TCAA as hard- and soft-copies.

Deliverables: Close-out Documents

RESPONSIBILITIES OF TRI CITIES AIRPORT AUTHORITY

Our Scope of Services and Compensation are based on TCAA performing or providing the following:

- A designated representative with complete authority to transmit instructions and information, receive information, interpret policy, and define decisions.

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- Assigning personnel that can assist Mead & Hunt and the Common Use Vendor with conducting the System Acceptance Testing.
- Available data, drawings, and information related to the project.
- Protection of Mead and Hunt supplied digital information or data, if any, from contamination, misuse, or changes.
- Ensuring all TCAA project stakeholders are available for meetings and providing project related information.
- Responding to questions during the system integration process that relate to general administration and procurement and contracting requirements.

WORK NOT INCLUDED IN THE SCOPE OF SERVICES

The following items are excluded from this agreement and will be provided by the Tri Cities Airport Authority or provided by Mead and Hunt, Inc. as an additional service only as authorized by the Tri Cities Airport Authority.

- Confirmation and Testing for Network Infrastructure and Connectivity
- Millwork fit-out for Check-in and Gate Counters

PROJECT SCHEDULE

Mead and Hunt, Inc. anticipates a project duration of **10 weeks**.

- **TASK 1: Project Execution and Administration** **1 Week**
- **TASK 2: Provide Common Use System Implementation Support** **5 Weeks**
- **TASK 3: Coordinate and Conduct System Acceptance Testing** **3 Weeks**
- **TASK 4: Provide Project Close-out Support Services** **1 Week**

COMPENSATION

The work described under the Scope of Services will be performed on a lump-sum basis. Tri-Cities Airport Authority will pay Mead & Hunt **Thirty-Five Thousand Three Hundred Twenty Dollars ($35,320)** as fees for all work and expenses performed under this contract. If additional meetings or site visits beyond the scope above are requested, the compensation for those will be negotiated between the Tri-Cities Airport Authority and Mead & Hunt.

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AUTHORIZATION

The Scope of Services and Compensation stated in this proposal are valid for a period of thirty (30) days from date of submission. If authorization to proceed is not received during this period, this proposal may be withdrawn or modified by Mead & Hunt.

All services in the above scope shall be performed under the Terms and Conditions and in accordance with a Project Specific Contract from Tri-Cities Airport Authority. Work shall not proceed until a fully executed contract is in place.

We appreciate the opportunity to continue to support Tri-Cities Airport Authority.

Respectfully submitted,

MEAD & HUNT, INC.

Tim Schneiter
Project Manager

Attachment

Approved by: MEAD & HUNT, INC.

By: _____

Name: David Way

Title: Vice President

Date June 13, 2025

Accepted by: TRI-CITIES AIRPORT AUTHORITY

By: _____

Name: _____

Title: _____

The above person is authorized to sign for Client and bind the Client to the terms hereof.

Date: _____

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EXHIBIT A

Tri-Cities Airport Authority

Phase 3: Common Use System Integration and Acceptance Testing Support Services

Task Description	Mead and Hunt, Inc. Employee Category & Hourly Rates					Fee Estimate
	Han Pak	Tim Schneiter	IT Systems Consultant	Finance	Admin	
	$290	$250	$150	$115	$90	
Task 1 - Project Execution and Administration						
1.1. Project Invoicing and Accounting	0	1	0	4	4	$1,070
1.2. Develop Project Execution Documentation	0	4	0	0	0	$1,000
1.3. Coordinate/Conduct Pre-installation Meeting	1	2	4	0	0	$1,390
1.4. Coordinate/Conduct/Document Progress Meetings	2	8	4	0	16	$4,620
TASK 1 TOTAL	**3**	**15**	**8**	**4**	**20**	**$8,080**
Task 2 - Provide Common Use System Implementation Support						
2.1. Pre-installation Activity Support	2	2	8	0	0	$2,280
2.2. Vendor Documentation Review and Approval	0	16	0	0	0	$4,000
2.3. Conduct One (1) On-site Field Walk	0	8	8	0	0	$3,200
2.4. Prepare One (1) Field Observation Report	0	2	2	0	0	$800
TASK 2 TOTAL	**2**	**28**	**18**	**0**	**0**	**$10,280**
Task 3 - Coordinate and Conduct System Acceptance Testing						
3.1. Coordinate and Document Soft Launch Date	0	2	0	0	0	$500
3.2. Develop Test Script	1	4	0	0	0	$1,290
3.3. Coordinate, Conduct and Report on System Acceptance Testing	1	16	8	0	0	$5,490
3.4. Coordinate and Refine per Acceptance Testing Log	1	4	0	0	0	$1,290
3.5. Provide Soft Launch and Full System Launch Support	1	4	4	0	0	$1,890
TASK 3 TOTAL	**4**	**30**	**12**	**0**	**0**	**$10,460**
Task 4 - Provide Project Close-out Support Services						
4.1. Coordinate Common Use Training for TCAA Staff	0	4	0	0	0	$1,000
4.2. Coordinate Project Handover Documentation	0	8	0	0	0	$2,000
TASK 4 TOTAL	**0**	**12**	**0**	**0**	**0**	$3,000
Subtotal - Labor Cost	$2,610	$21,250	$5,700	$460	$1,800	**$31,820**
Subtotal - Labor Hours	9	85	38	4	20	**156**
					M&H Labor	$31,820
					M&H Expenses	$3,500
					Grand Total Labor and Expenses	**$35,320**

Tri-Cities Airport Authority
August 28, 2025

CONSIDER:
Concourse Gate Internet Installation
Award Tele-Optics, Inc.

Summary:

As part of the Common Use Passenger Processing System (CUPPS) that AeroCloud is installing, a separate wired internet connection is needed at each gate for the overall system to function. It was determined that the airport installing the internet connection separate from the CUPPS provider would allow for the fastest installation due to the moving airline start date at the time. Tele-Optics, as part of their current IT support agreement with the airport, will provide and install fiber and ethernet connections to each gate in the concourse to support current and future CUPPS needs in the amount of $71,267.45. The agreement will be funded through future Passenger Facility Charge (PFC) funds, and the following is the funding plan:

CUPPS – Funding Plan

Airport Administration (Advertise/Legal)	$ 10,000.00
Construction Administration	$ 35,320.00
Concourse Gate Internet Installation	$ 71,267.25
AeroCloud One Time Costs	$106,233.49
CUPPS Annual License – Year 1	$ 35,000.00
CUPPS Annual License – Year 2	$ 35,000.00
CUPPS Annual License – Year 3	$ 37,100.00
Total Cost	$369,615.49

CUPPS – Funding Plan

Future PFC	$262,515.74
FY26 Terminal Area Expenses	$ 35,000.00
FY27 Terminal Area Expenses	$ 35,000.00
FY28 Terminal Area Expenses	$ 37,100.00
Total Cost	$369,615.49

Recommendation:

Authorize the Director of Operations to issue a purchase order to Tele-Optics, Inc. for the Concourse Gate Internet Installation in the amount of $71,267.45.

Submitted By: Chris Stipo
Director of Operations

TELE-OPTICS, INC

TOTAL COMMUNICATIONS SPECIALIST

1041 TIDEWATER COURT, KINGSPORT, TN

PHONE: 423.246.5704 / FAX: 423.578.3407

Quotation

Number AAAQ45389-0

Date Aug 3, 2025

Sold To

Tri-Cities Regional Airport
Denton Hall
2525 Highway 75
Blountville, TN 37617

Email dhall@triflight.com

Phone 423-325-6340
Fax
Terms
P.O. Number
Ship Via

Your Sales Rep

Eric R. McGlothlin
423-230-8834
emcglothlin@tele-optics.com

Line	Description	Qty	Unit Price	Ext. Price
1	**Fiber Network From Café IDF to each side of the concourse**			
2	FREEDM One Tight-Buffered Cable, Plenum, 12 fiber, Single-mode (OS2)	500	$1.47	$735.00
3	FREEDM One Tight-Buffered Cable, Plenum, 12 fiber, Single-mode (OS2)	500	$1.47	$735.00
4	Closet Connector Housing (CCH) One Rack Unit, Holds Two CCH Connector Panels	3	$282.61	$847.83
5	CCH Strain-Relief Bracket; internal strain-relief bracket for the CCH-01U, CCH-02U, CCH-03U	3	$40.73	$122.19
6	CCH Pigtailed Splice Cassette 12 F, LC UPC Duplex, Single-mode (OS2), Single-fiber (250 um)	4	$472.03	$1,888.12
7	UniCam Connector, LC, Organizer Pack, Single-mode (OS2)	1	$590.64	$590.64
8	Fiber Optic Jumper, Two Fiber Single-mode OS2 2.0MM ZIPCORD LC /LC 2 Meter	10	$32.70	$327.00
9	Fiber Optic Jumper, Two Fiber Single-mode OS2 2.0MM ZIPCORD LC /LC 3 Meter	10	$33.32	$333.20
10	Wall-Mount Cabinet, CUBE-iT+ Wall-Mount Cabinet, Solid, Metal Door, 36" H x 24" W x 30" D, 18U Tapped Rails, Black	2	$1,397.05	$2,794.10
11	STEEL TELE-POWER POLE 15’ GREY	4	$340.48	$1,361.92
12	Tele-Power Pole Extender, Blank Steel, Grey, 5ft	4	$335.39	$1,341.56
13	CAT6+ KeyConnect Coupler Patch Panel, 24-port, 1U, Black, 24 connectors (Patch Panel is factory-assembled) Flush Front connection, Rear Termination area	7	$610.35	$4,272.45
14	UTP, Cat 6, CMP, Commercial, 23-4P UTP-CMP SOL BC CAT6, FRPO/FEP/FRLSPVC DK GRN 1000FT, NONBONDED-PAIR BOX	12	$462.81	$5,553.72
15	CAT6+ Modular Jack, RJ45, KeyConnect style, Black	40	$8.67	$346.80
16	Deco Adapter, 4 Port, 1.406 m, White	10	$7.07	$70.70
17	Misc. Hooks Zipties Maounting Hardware	1	$325.00	$325.00
18	CAT 6, Small Diameter 28 AWG UTP Patch Cords, 3 FT, BLACK	50	$15.26	$763.00

**** - Quotes are subject to Tele-Optics, Inc. Standard Terms and Conditions.**
**** - Any additional work not specified within this document will require a Change Order request - the scope of which will be approved by Tele-Optics, Inc. and the customer to determine any addiitonal charges to be accrued on the part of the customer.**

Line	Description	Qty	Unit Price	Ext. Price
19	CAT 6, Small Diameter 28 AWG UTP Patch Cords, 5 FT, BLACK	10	$16.50	$165.00
20	CAT 6, Small Diameter 28 AWG UTP Patch Cords, 20 FT, BLACK	40	$28.55	$1,142.00
21	Labor	1	$23,401.40	$23,401.40
22	**SubTotal for Network and Labor**			$47,116.63
23	**Electronics for Network**			
24	HPE Networking Instant On 1960 12XGT 4SFP+ Switch US	2	$2,333.49	$4,666.98
25	HPE Networking Instant On 1960 48G 40p Class4 8p Class6 PoE 2XGT 2SFP+ 600W Switch US	2	$2,683.76	$5,367.52
26	HPE Networking Instant On 1960 24G 20p Class4 4p Class6 PoE 2XGT 2SFP+ 370W Switch US	3	$1,516.50	$4,549.50
27	HP J9151E Comp TAA 10GBase-LR SFP+	14	$342.63	$4,796.82
28	J60 Lithium UPS	4	$552.50	$2,210.00
29	Labor	1	$2,560.00	$2,560.00
30	**SubTotal for Electronics**			$24,150.82

Accepted by

Date Accepted

SubTotal	$71,267.45
Tax	$0.00
Shipping	$0.00
Total	**$71,267.45**

Tele-Optics will install 2 new Network Cabinets behind air handler tubes in the concourse. We will run a 12 Fiber from each cabinet back to the Café IDF they will be terminated in rack mounted Fiber trays. In the Café IDF we will add an HPE 1960 Switch with 4 SFP Ports for the Fiber connections to the cabinets and an HPE 24Port Switch for Cat6 network connections to Gate 1 and Gate 2. In the Concourse Cabinets we will have HPE 1960 48port Switches the Cat6 cables will run thru the Ceiling and down Data Poles to each Gate counter area and will be terminated in surface mounted boxes. All Cat6 terminations will be terminated in patch panels in both cabinets and the Café IDF. All Fiber and Coper Patch cables are included.

** - Quotes are subject to Tele-Optics, Inc. Standard Terms and Conditions.
** - Any additional work not specified within this document will require a Change Order request - the scope of which will be approved by Tele-Optics, Inc. and the customer to determine any addiitonal charges to be accrued on the part of the customer.

Tri-Cities Airport Authority
August 28, 2025

CONSIDER:
Airfield Painting Equipment Acquisition
Award Sherwin Industries, Inc.

Summary:

The Federal Aviation Administration (FAA) provides standards for the markings on the airfield through 14 CFR Part 139 and various Advisory Circulars. Historically, the airport has relied on contractors for all markings on the airfield regardless of the size of the job. This can lead to delays in completing smaller jobs due to the limited number of qualified contractors available to paint on an airfield. To assist with minimizing delays, airport maintenance has attended conferences and training to learn how to conduct painting in house. Through research and consulting with other airports, it was determined that a Graco LineLazer V 250DC HP Reflective Series was the best option for airfield paint equipment. Due to the specialty of this equipment, a Sourcewell contract was used to acquire the equipment and save fifteen percent in cost. The total cost of the equipment is $42,175 from Sherwin Industries, Inc. The equipment will be funded through Airfield Expense funds, and the following is the funding plan:

Airfield Painting Equipment – Funding Plan

FY26 Airfield Expense	$42,175
Total Cost	$42,175

Recommendation:

Authorize the Director of Operations to issue a purchase order to Sherwin Industries, Inc. for a Graco LineLazer V 250DC HP Reflective Series in the amount of $42,175.

Submitted By: Chris Stipo
Director of Operations

QUOTE

Sherwin Industries, Inc.

2129 W. Morgan Ave. Milwaukee, WI 53221
Phone 804-512-2206 Fax 414-281-6404
trushing@sherwinindustries.com

AUGUST 12, 2025

TO Tri Cities Airport
Attn: Daniel Meszaros
Sourcewell Member ID# 204167

SALESPERSON	JOB	PAYMENT TERMS	QUOTE VALID UNTIL
16-TR	Sourcewell Contract Pricing 110122-SWN	**Net 30**	90 Days

QTY	DESCRIPTION	UNIT PRICE	LINE TOTAL
1	25N659 GrindLazer HP 1021 G DCS	14,345.00	14,345.00
1	25U474 LineDriver HD Electric Start	9,976.00	9,976.00
1	17H465 LLV200HS Reflective 2 Auto Guns, 1 Tank	20,615.00	20,615.00
1	17H474 LLV250DC HP Reflective 3 Auto Guns, 2 Tanks	42,175.00	42,175.00
	*Pricing Includes Delivery to Destination		
	**Purchase Includes factory representative on-site training		
		SUBTOTAL	87,111.00
		SALES TAX	EXEMPT
		TOTAL	87,111.00

Quotation prepared by: *Todd L. Rushing* _____

THANK YOU FOR YOUR BUSINESS!

Tri-Cities Airport Authority
August 28, 2025

CONSIDER:
Maintenance Vehicle Gate Replacement
Award Ideal Manufacturing

Summary:

The vehicle gate that provides access to Maintenance is 17 years old and has reached the end of its useful life. The gate has been out of service for repairs more than it has been working in the past few months, leading to difficulties with Maintenance equipment accessing portions of the airport. A repair of the gate was evaluated, but the cost and age of the gate resulted in a full replacement making the most financial sense. Two vendors were solicited for bids with Ideal Manufacturing submitting the lowest and most responsive bid with a total cost of $36,059.83 for a Tilt-A-Way gate. The bid does not include installation which will be provided by a separate contractor. The gate will be funded through FY26 Airfield Expense funds, and the following is the funding plan:

Maintenance Vehicle Gate Replacement – Funding Plan

Tilt-A-Way Gate	$36,059.83
Installation (Separate Vendor)	$ 5,200.00
Total Cost	$41,259.83

Recommendation:

Authorize the Director of Operations to issue a purchase order to Ideal Manufacturing for Tilt-A-Way Gate in the amount of $42,175.

Submitted By: Chris Stipo
Director of Operations

BID TAB SHEET
Maintenance Vehicle Gate Replacement
Bid Date: August 20, 2025

FIRM NAME & ADDRESS	TOTAL BID
Ideal Manufacturing 2011 Harnish Blvd Billing, MT 59101	$36,059.83
Autogate, Inc. PO Box 50 7306 Driver Rd Berlin Heights, OH 44814	No Quote Given

Quote

Ideal Manufacturing Inc.

2011 Harnish Blvd
Billings, MT
USA, 59101
Phone : 406-656-4360 Fax : 406-656-4363
info@idealmfginc.com

Quote No.	**23001**
Date :	07/07/2025
Contact :	ROGER NORTON Phone : 423-943-4572

Bill To	***2208***
TRI CITIES AIRPORT COMMISION	
2525 Hwy 75	
BLOUNTVILLE, TN	
USA, 37617	

Ship To	***2208***
TRI CITIES AIRPORT COMMISION	
2525 Hwy 75	
BLOUNTVILLE, TN	
USA, 37617	

Expiration Date	Price Request	Terms	Carrier	Billings MT
09/13/2025	COMPLETE REPLACEMENT	Net 30 days	ACTION TRANSPORT	BILLINGS, MT

Sales Rep	Currency	Lead Time (Days)	
Justin Wagenmann (JUSTW)	USD	42	

No.	Qty	UN	Item	Description	Net Price	Amount
1	1.000	EA	HYJG-AMPLIMESH-WBARB	COMPLETE HYJG AMPLIMESH GATE WITH BARB WIRE 1-LH-TILT-A-WAY HYDRAULIC VERTICAL PIVOT GATE MODEL HYJG-1 WITH 21' ALUMINUM AMPLIMESH BARRIER 8'+1' TALL. WIRED FOR 220 VAC SINGLE PHASE MOTOR. (COMPLETE REPLACEMENT SERIAL# 2006091205) GATE IS 1' LONGER BECAUSE OPERATOR IS 1' SHORTER THAN ORIGINAL. LOOP DETECTORS-1-SAFETY	$31,459.83	$31,459.83

Options

Description	Quantity	Net Price
HYJG ALUMINUM AMPLIMESH BARRIER 21'X9' WITH BARB	1	$28,202.00
COLD WEATHER PACKAGE	1	$1,000.00
LOOP DETECTOR 24VAC (LESS LOOP)	1	$185.00
PHOTO EYE INSTALLED WITH REVERSING EDGE	1	$571.56
REVERSING EDGE 21'	1	$851.27
GATE WILL BE UL-325 LISTED VAC	1	$650.00
COMPLETE HYJG 208/230 SPH OPERATOR - LEFT HAND	1	$0.00

2	1.000	EA	07-SHIPPING	SHIP ASSEMBLED TO BLOUNTVILLE, TN	$4,600.00	$4,600.00

Subtotal: $36,059.83

USD

Tri-Cities Airport Authority
August 28, 2025

CONSIDER:

Nepotism Policy

SUMMARY:

As part of our revision of our Employee Handbook, staff have reviewed the current 'Hiring of Relative or Friends Policy'. TCAA has revised and expanded the current policy to include updates and expanding the policy to be in line with current industry and governmental standards. Attached is the previous policy and a finalized version of the new Nepotism Policy for your review.

Recommendation:

Staff recommends the approval of the updated Nepotism Policy.

Submitted by:
Rebecca O'Quinn
Admin & HR Manager

HIRING OF RELATIVES OR FRIENDS

It is the policy of the Commission to hire the best qualified employees available for all jobs. However, it is necessary that judgment be used in the hiring or placement of close relatives or friends of our employees.

Each application will be considered on its own merits after review of the applicant's record, the type of job available, and other relevant factors. Management will make these decisions on an individual basis, giving primary consideration to the best interests of the Airport Commission.

Should two employees who are working in the same area, or one of whom is in the Human Resource, Payroll or Accounting department, get married or become relatives during employment with the Tri-Cities Airport Commission, the choice will be theirs as to which employee will accept a transfer into another area, pending position availability and employee suitability for available position(s).

However, if a position in another area cannot be found for the employee, the choice will be between the employees as to which one will resign. If, within three (3) months after the employees marry, a decision has not been reached, the employee with the least seniority must resign. Management may authorize an exception to the provision of this policy if it is found to be in the best interest of the Airport Commission.

For purposes of this policy, cohabitation shall be deemed the equivalent of marriage.

Tri-Cities Airport Authority
Administrative Policies and Procedures

Policy and Procedure Number:	Subject: **Nepotism Policy**
Approved by: **President/CEO**	Approval Date: **08/28/2025**
Effective Date: **09/01/2025**	New, Revision, Rescinds:

Purpose

Tri-Cities Airport Authority is committed to a policy of employment and advancement based on qualifications and merit and does not discriminate in favor of or in opposition to the employment of relatives.

Policy

It is the policy of the Tri-Cities Airport Authority to maintain the highest possible level of professionalism and safety conditions Due to potential for perceived or actual conflicts, such as favoritism or personal conflicts from outside the work environment, which can be carried into the daily working relationship, Tri-Cities Airport Authority will hire relatives of persons currently employed only if: a) candidates for employment will not be working directly for or supervising a relative, and b) candidates for employment will not occupy a position in the same line of authority in which employees can initiate or participate in decisions involving a direct benefit to the relative. Such decisions include hiring, retention, transfer, promotion, wages and leave requests.

Definitions

“Family member” is defined as one of the following: spouse or significant other, parent/step-parent, child/step-child, grandparent, grandchild, brother/brother-in-law, sister/sister-in-law, uncle, aunt, nephew, niece, first cousin, in-laws (father, mother, son, and daughter).

Scope

This policy applies to:

- All current Airport employees
- All candidates for employment.

Procedure

Prior to the employment offer, the immediate supervisor must complete a signed statement certifying that the candidate for employment or other employment action is not a relative as defined above. Failure to submit the signed statement to the Human Resources Department (HR) will result in the delay of the job offer until the statement is submitted.

The hiring supervisor is responsible for ensuring policy compliance. Department directors are responsible for monitoring changes in employee reporting relations after initial hire to ensure compliance with this policy. Employees are responsible for immediately reporting any changes to their supervisor.

If any employee, after employment or change in employment, enters into one of the above relationships, one of the affected individuals must seek a transfer or a change in the reporting relationship. Such changes must be approved by the Human Resources Department. If a decision cannot be made by the affected employees within 14 days of reporting, reassignment will be made in the direction of the department director and the Human Resources department.

No exception to this policy will be made without the written consent of the Executive or Administrative leadership team.

Tri-Cities Airport Authority
August 28, 2025

CONSIDER:

HB Strategies Proposal and Agreement

Summary:

As previously discussed with the Board, staff has requested a proposal from HB Strategies Tennessee to engage Meagan Frazier, formerly of Harris Frazier Government Relations, to serve as a representative for the Tri-Cities Airport Authority (TCAA) in both local and state government relations and to advocate on the behalf of TCAA regarding state legislative issues.

Meagan brings in depth experience with Tennessee governmental relations, a great knowledge of our state systems, and strong relationships with all branches and members of state government. In addition, Meagan also represents the Tennessee Association of Air Carrier Airports (TAACA) and will be able to bring a unique synergy to issues facing TCAA as well as the other state air carrier airports.

After entering a letter of engagement with HB Strategies Tennessee, the President/CEO will work with HB Strategies to complete a scope of work with specific focus on bringing a greater recognition of TCAA and Northeast Tenneses Aviation issues to the state legislative and executive offices. In addition, presentation and question and answer sessions for the board will be scheduled.

Recommendation:

Staff recommends the Board approve the President / CEO executing the attached engagement letter with HB Strategies Tennessee.

Submitted by:
Gene Cossey
President / CEO

PROPOSAL OF SERVICES FOR

TRI CITIES AIRPORT

July 15, 2025

HB STRATEGIES Tennessee



Experience that matters.

HB Strategies Tennessee is one of the most trusted lobbying teams in Tennessee state government affairs. Estie Harris and Meagan Frazier have successfully worked to ensure the state's oldest lobbying firm remains a trusted resource for lawmakers and a reliable partner for clients in today's legislative and political environment. With more than 60 years of combined experience, our team has been supporting engagement between government and clients to deliver legislative results and business growth across the state.

Our team develops dynamic strategies that are specifically tailored to protect and advance the interests of each client and achieve their public policy goals. We quickly integrate into a client's team to develop a comprehensive outreach program that includes a detailed execution plan to advance identified priorities before senior legislative staff, the Governor, Members of the Tennessee General Assembly, and state agency decision makers. It's important to the HB team to work in an ethical, honest and determined manner for every client.

It's who we are.



ENGAGING TENNESSEE

As Tri Cities Airport (TCA) engages in state government relations for the first time, HB Strategies Tennessee is proud to offer a tailored, strategic approach that will set the standard for effective advocacy on behalf of the airport. Our team understands the importance of laying a strong foundation, especially for an airport that has not previously had representation at the state level.

With deep experience in Tennessee's aviation policy landscape—and a proven track record of success at the Capitol—HB Strategies is uniquely positioned to serve as a trusted advisor and effective advocate. As HB Strategies already works with the Tennessee Association of Air Carrier Airports (TAACA), all work to be performed on behalf of TCA would be in a manner to not conflict with any position of TAACA.

Personal Touch

Our team brings the insight, relationships, and strategic foresight necessary to help TCA navigate the policymaking process and elevate its role within the region and across the state.

HB Strategies Tennessee will provide TCA senior-level capabilities and attention from start to finish. HB Strategies can effectively assist TCA in developing real-time solutions to challenges while planning for future developments by making sure your issues and requests do not get lost in the shuffle of others that inundate state offices. HB Strategies develop successful strategies through:

- Timely communications and intelligence gathering;
- Identifying strategic priorities/opportunities and developing advocacy action plans; and
- Legislative tracking, and analysis of state engagement.



HB STRATEGIES Tennessee

Our Plan

HB Strategies understands that a successful government relations strategy includes the development of clear priorities. With HB Strategies as a partner, TCA can pursue important conversations with the elected officials that matter. HB Strategies will assist TCA with navigating the Tennessee policymaking landscape. This includes connecting with key decision makers across the legislative and executive branches—including committee chairs, budget leaders, regulatory officials, emerging influencers, as well as relevant state agency leadership.

With a collaborative team approach, HB Strategies will work with TCA and its Airport Authority board to help identify goals, priorities, and challenges, to ensure coordinated, strategic action across all fronts. This high level of coordination allows us to be agile, aligned, and fully engaged in pursuing the airport's objectives.

HB STRATEGIES Tennessee

Strategic Planning & State Policy Advocacy

As TCA's dedicated state government relations representative, HB Strategies has outlined a focused and strategic approach for effectively representing the airport's interests in Nashville.

This includes:

- Defining TCA's both short- and long-term policy goals, including key budget priorities—whether preserving existing funding under state programs or identifying new opportunities for growth;
- Identifying and developing a clear advocacy strategy tailored to the airport's needs and long-term goals;
- Translating the airport's priorities into a focused state-level agenda, identifying key legislative, regulatory, and budgetary opportunities;
- Engaging regional allies (if applicable)—including local governments, economic development groups, tourism organizations, and business leaders—to build a broad base of support for the airport's state initiatives; and
- Engaging during the summer and fall when key policy issues are discussed, and planning actions based on insights and potential impact to TCA's legislative agenda.



Legislative Monitoring, Reporting, and Policy Analysis

HB Strategies will work with TCA on monitoring and analyzing all proposed legislation, including regulatory updates, for issues of interest and impact to the airport.

This includes:

- Actively monitoring and reporting on the Tennessee General Assembly activity, state budget proceedings, stakeholder meetings, and relevant executive agency decisions that could impact airport operations or funding; and
- Alerting TCA and its Airport Authority board when bills of interest are introduced or calendared for a hearing or vote during general sessions, special sessions and legislative committees of reference.

Board Communication & Strategic Counsel

HB Strategies will actively advocate for TCA's interests and legislative priorities with state elected officials and will work to identify opportunities for the airport. HB Strategies understands that timeliness is essential and commits to delivering significant updates promptly.

This includes:

- Maintaining a daily presence at the Capitol during the legislative session;
- Attending relevant committee hearings and stakeholder meetings;
- Providing regular updates and strategic briefings to TCA and the Airport Authority Board, including policy developments, advocacy milestones, and recommendations for future engagement; and
- Offering guidance on positioning the airport for increased visibility and credibility in state government conversations.



HB STRATEGIES

Communication is key.

The foundation of our service for all clients is consistent, timely communications from the HB Strategies team. We sift through the mountain of information that comes through the government each day and identify the pieces that are relevant to you and report them, whether that is a potential agency rulemaking and opportunity to comment or the latest word-of-mouth in the Capitol about a bill or a committee hearing.

With most of our clients, we schedule regular calls on a weekly, biweekly, or monthly basis as needed where we can share important updates regarding public policy and get news from you directly to guide our advocacy. We will also share updates as frequently as they arise, or you consider to be appropriate. Additionally, our team will be available to participate in board meetings, conferences, or other broader internal meetings as necessary to provide updates on progress and relevant government updates.

HB Strategies would be honored to partner with the TCA team to work beyond the airport's immediate needs and strengthen its long-term advocacy strategies.

HB STRATEGIES Tennessee

ADVOCACY REPRESENTATIVE



Meagan Frazier

Managing Principal

Meagan is an eighth generation Tennessean. As an experienced lobbyist she puts that pride in the state to work in achieving great things for her clients. She is widely recognized for her knowledge of the Tennessee General Assembly's rules and procedures as well as her long-held relationships within all three branches of state government. She has successfully guided clients through complex issues such as prescription safety regulations, state funding needs and professional licensing requirements. Lawmakers and their staff turn to Meagan as a trusted resource of information during the legislative process and for her skill of getting things over the finish line particularly when it comes to agriculture and transportation policy as well as child welfare. Meagan is a licensed attorney and joined the state's oldest lobbying firm, Harris Frazier Government Relations, in 2003 and became a partner in 2008. She most recently helped lead its consolidation into HB Strategies in 2025 as HB Strategies Tennessee.



OUR SERVICES

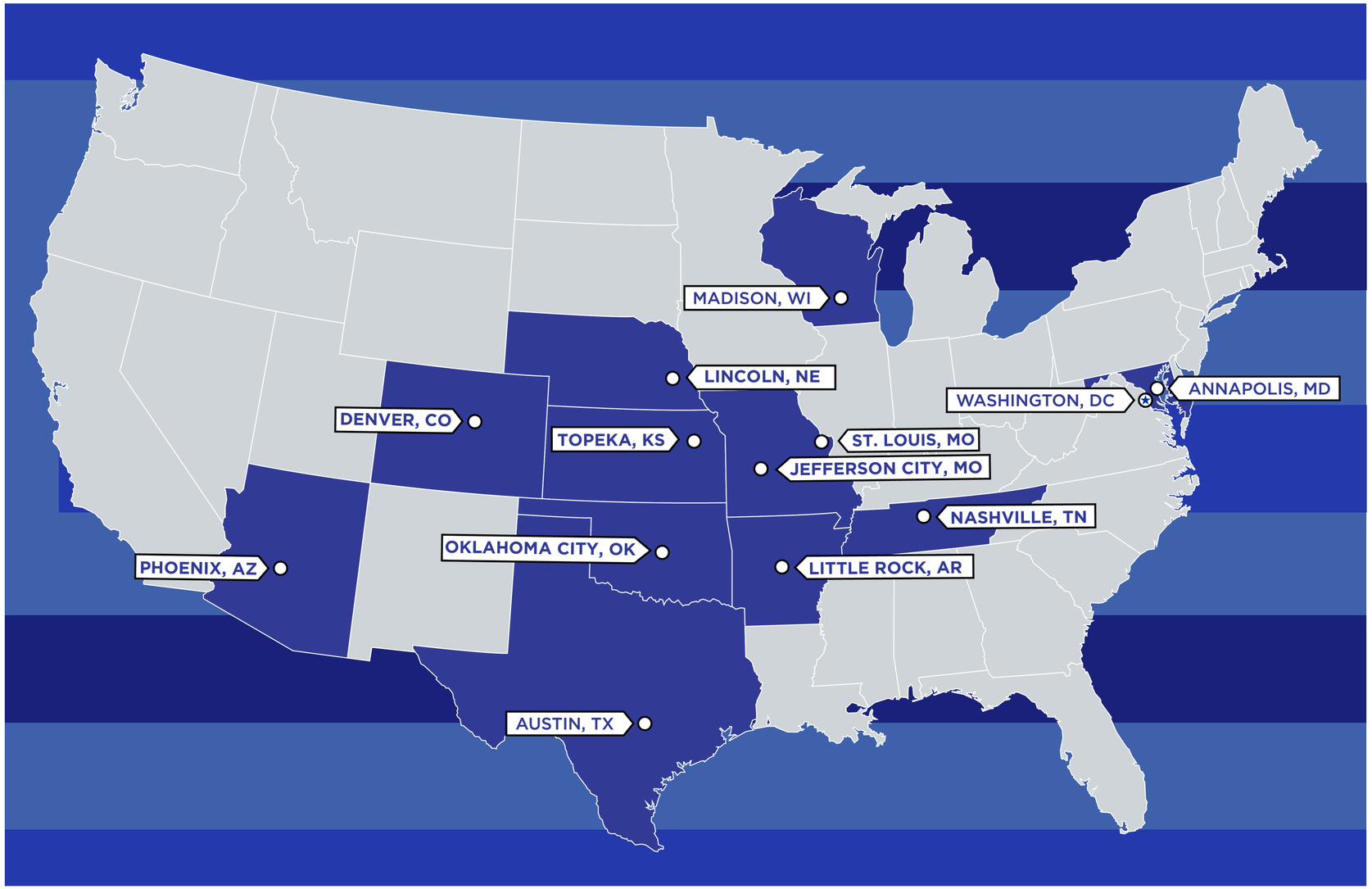
Our services are generally acquired by entering into an agreement of at least a twelve-month duration with a monthly retainer paid monthly in advance. The size of the fee or retainer is determined by factors including, but not limited to, mutually agreed upon exact scope of work, the size and skillset of the servicing team, political lift or difficulty of assignments, reputational issues, and ability to afford.

For the retention under consideration, we propose an initial agreement of one year with a monthly fee of $2,000 dollars payable at the beginning of each month.

Upon acceptance of this proposal and the outlined scope of work, we will submit a contract for services for your consideration.

All terms and fees outlined in this proposal are valid for 30 days from the date of submission listed on this proposal.

NATIONAL PRESENCE



Client Industries Include

- Associations
- Communications & Broadband
- Cybersecurity
- Education
- Energy & Resources
- Environment / Public Lands
- Financial Services
- Food & Agriculture
- General Corporate
- Government Contracts
- Healthcare
- Human Rights
- International Relations
- Life Sciences
- Manufacturing
- National Security
- NGO Advocacy
- Public Private Partnerships
- Technology
- Transportation & Infrastructure
- Travel & Tourism

HB STRATEGIES

OUR LEADERSHIP



Andy Blunt

Executive Chairman
Chief Executive Officer

As a founding partner, Executive Chairman and Chief Executive Officer of HB Strategies, Andy has helped build a trusted national brand for federal and state lobbying with revenues and a client base to match. A tireless advocate, Andy has helped companies of all sizes successfully navigate complex legislative and regulatory environments and is consistently recognized as one of Washington's "Top Lobbyists" by national media. While Andy is leading the firm with its remarkable growth trajectory, clients continue to turn to him for help managing a crisis, polishing a brand, and understanding how government works and how to make it work for them. Andy advises top executives in boardrooms across the country and political candidates and elected leaders at all levels of government.



Gregg Hartley

Executive Vice Chairman
Chief Operating Officer

As a founding partner, Executive Vice Chairman and COO of HB Strategies, Gregg has quickly positioned the firm as a nationally recognized power player in government affairs. Gregg established the firm's federal practice group and helps direct the firm's rapidly growing national advocacy capacities. Clients benefit from his more than forty years of insider experience at all levels of government and politics. Gregg knows the intricacies of Congress as he managed a House leadership office and helped guide one of Washington's most legendary lobbying firms. Numerous senior elected officials, foreign government leaders, trade associations and non-governmental advocacy groups have relied on him as a trusted strategist and advisor.



Senator Roy Blunt

Chairman
Leadership Strategies Advisory Services

With more than four decades of service as an elected official, government executive, and legislator, Senator Roy Blunt has earned the respect of House and Senate leaders, rank and file Members of Congress, Administration officials, corporate executives, and government affairs professionals as a leader with integrity and a remarkable ability to make things happen and accomplish significant achievements. Senator Blunt has gained the knowledge and insights developed from years of helping craft the agenda and implement the procedural and national political strategy to meet public policy challenges as well as advance opportunities. He helped pass most of the consequential legislative achievements in Congress for the last two and half decades and was often the key individual whipping the vote to ultimately ensure success.



Rochelle Mallett

Executive Vice President
State Government Affairs

As Executive Vice President, State Government Affairs, Rochelle manages the firm's network of state lobbying offices in Arizona, Arkansas, Colorado, Kansas, Maryland, Missouri, Nebraska, Oklahoma, Tennessee, Texas, and Wisconsin. Our clients benefit from Rochelle's success in coordinating and fine-tuning legislative and public strategies that are targeted to specific client needs. She achieves significant outcomes through her careful approach to detail and an extensive national network of public policy and community leaders - ultimately establishing trusted relationships on behalf of HB Strategies clients. Earlier in her career she served as a legislative aide to U.S. Senator Deb Fischer.



Stacy McBride

Executive Vice President
Federal Government Affairs

As Executive Vice President, Federal Government Affairs, Stacy leads the firm's team of federal lobbyists in our Washington office. Stacy is an experienced public policy strategist whose diligent work over twenty years in Washington has earned her the respect and friendship of leading elected officials of both parties on Capitol Hill. Stacy served eight years as Chief of Staff and Committee Staff Director to U.S. Senator Roy Blunt and was responsible for managing a staff of more than 60 professionals while working alongside the Senator. Stacy is an authority on how Congress operates and has successfully counseled lawmakers through some of the most critical and lasting legislative achievements of recent sessions of Congress.

We know how government works.

Influencing change and protecting a client's interests takes a comprehensive approach. HB Strategies moves the needle of public opinion and guides decisions of public officials through its integrated services of state and federal lobbying, executive-level strategic counsel, PAC consulting, and public affairs.

Our professional advocates are plugged into the legislative, regulatory, media, and political environment in statehouses across the country and on Capitol Hill in Washington.

HB Strategies was established in 2018 and today has one of the largest networks of state lobbyists in the country with thirteen offices nationwide - in Arizona, Arkansas, Colorado, Kansas, Maryland, Missouri, Nebraska, Oklahoma, Tennessee, Texas, Wisconsin, a federal practice group that ranks as one of Washington's top performing lobbying firms, and the HB Strategies Public Affairs group based in St. Louis. Senator Roy Blunt chairs the firm's Leadership Strategies Advisory Services group in Washington - a specialized executive team that provides a comprehensive whole-of-government advisory service that is tailored to the needs of a specific organization.

Federal

Our Federal team quickly integrates into a client's team to develop a comprehensive outreach program that includes a detailed execution plan to advance identified priorities before senior congressional staff, Members of Congress, and Federal Agency decision makers. Our bipartisan approach and relationships allow for continued success despite changes in political leadership. We successfully represent clients in securing funding through the appropriations process and the extension or modification of authorizing language to keep programs functioning to their benefit. We have proven experience bringing diverse groups together, developing trust and building coalitions based on shared interests to achieve policy ends.

State Government

Our statehouse-focused advocates protect and broaden the interests of clients through comprehensive strategies and trusted personal networks across state government. Engaging state legislatures differs from state to state, that is why we guarantee each of our lobbyists are experts within their state. HB Strategies has one of the largest networks of state lobbyists in the country. Our professional lobbyists are trusted resources in the legislative process in each of our state capital offices in Arizona, Arkansas, Colorado, Kansas, Maryland, Missouri, Nebraska, Oklahoma, Tennessee, Texas, and Wisconsin.

Leadership Strategies

Leadership Strategies Advisory Services, led by U.S. Senator Roy Blunt, provides immediate strategic advice to senior executives through legislative and policy intelligence gathering and analysis as well as the development of long-term policy fulfillment plans. Our team is particularly valuable to clients that seek to elevate signature issues to priority agenda items for Congress and the Administration by identifying opportunities to have them appropriately addressed by legislation, programming, and funding.

Public Affairs

Our public affairs professionals develop and deliver integrated communications and public affairs strategies that solve problems, build reputations, and create value for organizations of every shape and size. Our comprehensive model brings together state and federal government relations, public affairs, and executive-level strategic counsel, uniquely positioning us to deliver integrated solutions to our clients' most complex problems.

50 State

50 State acts as an advocacy hub as it connects clients with a nationwide network of professional lobbyists in multiple markets that can simultaneously engage lawmakers through a customized structure that is developed and managed by the HB Strategies team. Clients can also access a state's Executive Branch through the HB Strategies team's direct advocacy with governors and state attorneys general and their senior staff members.

HB STRATEGIES



Arizona | Arkansas | Colorado | Kansas | Maryland | Missouri
Nebraska | Oklahoma | Tennessee | Texas | Wisconsin | Washington, D.C.

July 22, 2025

Gene Cossey
CEO
Tri-Cities Airport
2525 TN-75 Suite 301
Blountville, TN 37617

RE: Letter of Engagement between HB Strategies and Tri-Cities Airport

Dear Gene:

HB Strategies is pleased to provide general consulting services to the Tri-Cities Airport ("Client"). The terms and conditions below will cover this engagement (the "Agreement") and will become effective upon HB Strategies' receipt of your signature.

Scope of Work. HB Strategies shall provide Client with advice, information, and assistance as requested by Client in connection with Tennessee legislation and state executive branch activities pertaining to business and regulatory issues affecting Client. As HB Strategies already works with the Tennessee Association of Air Carrier Airports (TAACA), all work to be performed on behalf of Client will be in a manner to not conflict with any position of the TAACA.

Terms of the Agreement. The term of this Agreement shall begin on September 1, 2025 and end on August 31, 2026 subject, however, to earlier termination as provided within this Agreement.

Termination. This Agreement may be terminated by either party for any reason by providing written notice to the other party at least thirty (30) days prior to the termination date. Should Client terminate the services of HB Strategies, that termination will not affect Client's responsibility for paying any fees or expenses incurred prior to termination. Those fees will be paid on a pro rata basis based upon the contract amounts specified below.

Consideration and Expenses. In consideration for the services of HB Strategies as outlined in this Agreement, Client will pay HB Strategies a consulting fee of two thousand dollars ($2,000). Client agrees to pay this fee subject to the terms set forth herein. All payments shall be made to HB Strategies and delivered to the attention of:

HB Strategies, LLC
P.O. Box 1108
Jefferson City, MO 65102
AR@hbstrategies.us

Relationship of the Parties. Client and HB Strategies understand and agree that all the services to be provided by HB Strategies under this Agreement shall be performed by HB Strategies as an independent contractor and not as an employee of Client. Further, although some of the HB Strategies staff performing services are licensed attorneys, neither they nor HB Strategies are providing legal services under this Agreement. HB Strategies and Client agree that Client will treat HB Strategies as an independent contractor for purposes of all tax laws (local, state and federal) and file forms consistent with that status. HB Strategies will be solely responsible to pay and all local, state, and/or federal income, social security and unemployment taxes for HB Strategies employees. Client will not withhold any taxes or prepare W-2 Forms for HB Strategies, but will provide HB Strategies form 1099, if required by law.

Compliance with Law. HB Strategies will comply with the requirements of all applicable laws (including, without limitation, the Tennessee Lobbyist Registration and Disclosure Act of 1975, as amended), rules, regulations, and orders of any governmental authority.

Governing Law. Client and HB Strategies acknowledge and agree that this Agreement shall be construed and enforced in accordance with the laws of Tennessee.

Exclusions. As previously stated, HB Strategies is not performing any legal services or giving any legal advice as a part of this engagement.

HB Strategies provides full-suite lobbying and government affairs consulting. HB Strategies does not provide legal advice or services, and communications between HB Strategies and its clients are not protected by the attorney-client relationship, including attorney-client privilege.

HB Strategies is a multi-state lobbying and government relations firm with business in other states. Each of the state government affairs practice is a self-contained operating unit with its own staff, clients, and localized procedures. Principals in each state practice are dedicated to their own clients and do not serve clients in other states. Client's priorities and interests in Tennessee will supersede any external interests.

Confidentiality. HB Strategies agrees to hold Client's Confidential Information in strict confidence and not to disclose such Confidential Information to any third parties, except as required by law or court order or as needed in any proceeding with Client. Except as set out in this paragraph, HB Strategies also agrees not to use any of Client's Confidential Information for any purpose other than performance of this Agreement. "Confidential Information" as used in this Agreement shall mean all information disclosed by Client to HB Strategies, or otherwise obtained by HB Strategies pursuant to services provided under this Agreement, that is not generally known in Client's trade or industry. All Confidential Information furnished to HB Strategies by Client is the sole and exclusive property of Client or its suppliers or customers.

Unless instructed otherwise, in order to avoid conflicts of interest, HB Strategies is permitted to advise current or potential organizations that it represents Client, and the general nature of the work being performed by HB Strategies.

Ownership. Client shall own all right, title, and interest in and to all work product and other materials created or delivered by HB Strategies in connection with this Agreement.

Notices. All notices for herein shall be sent via U.S. mail, postage prepaid, or electric mail, and addressed as follows:

To HB Strategies:
HB Strategies
P.O. Box 1108
Jefferson City, MO 65102
mfrazier@hbstrategies.us

To Client:
Tri-Cities Airport
2525 TN-75 Suite 301
Blountville, TN 37617
gcossey@triflight.com

Entire Agreement. This Agreement constitutes the entire agreement of HB Strategies and Client and supersedes and terminates any prior oral or written understandings or agreements between the parties relating to matters addressed herein. No agent, employee or other representative of either party is empowered to alter any of the terms hereof, unless done in writing and signed by an authorized representative of the respective parties.

If this Agreement is not executed and returned in thirty days from date on this letter, then the offer terms herein become void.

HB Strategies

Andrew B. Blunt
Chief Executive Officer

PO Box 1108
Jefferson City, MO 65102

Tri-Cities Airport

_____
Gene Cossey
CEO

_____
Date

Tri-Cities Airport Authority
August 28, 2025

REPORT:
Strategic Plan: Final Discussion – Objectives and Goals

Summary:

An update will be provided to the board covering the Strategic Plan.

Submitted By: Gene Cossey
President / CEO

Tri-Cities Airport Authority
August 28, 2025

REPORT:
RFQ for FBO Maintenance Shop

Summary:

An update will be provided to the board covering the RFQ for FBO Maintenance Shop.

Submitted By: Gene Cossey
President / CEO

Legal Counsel,
Stephen Darden

Verbal Report

Director of Finance,

Rachel Squibb

Tri-Cities Airport Authority
August 26, 2025

REPORT:

Financial Summary – Fiscal Year Ending June 30, 2025

For the fiscal year ending June 30, 2025, the Authority achieved a Net Operating Income of **$1,327,079**, exceeding the approved budget by **$797,679**. The attached schedule provides unaudited actual results compared to the approved FY2025 operating budget.

Revenue Performance
Total operating revenues exceeded budget by **8.8%**, reflecting strong growth across key categories. The most notable positive variances were in **Parking, Rental Car, and Other Revenues**. Rental Car Revenues saw a significant increase, driven by a **14.2%** year-over-year rise in car rentals from June 2024 to June 2025. These results underscore the continued importance of non-aeronautical revenue streams in the Authority's financial base.

Expense Management
Operating expenses overall were managed in line with budget expectations. While cost results were mixed across categories, the primary negative variance occurred within the **Airfield Area** cost center, reflecting necessary expenditures for sinkhole repair and snow/ice control. These unplanned but necessary costs are in line with the nature of airfield operations.

Net Results & Outlook
The fiscal year closed with stronger than anticipated results, particularly considering economic concerns. The positive variance in net operating income demonstrates prudent fiscal management and growth across core revenue streams. Compared to FY2024, results remain consistent with broader industry trends, positioning the Authority with a healthy financial foundation heading into FY2026.

Submitted by: Rachel Squibb
Director of Finance

Tri-Cities Airport Authority
December 12, 2024

REPORT:

CASH BALANCE REPORT - June 30, 2025

Operating Cash	$	12,129,360
Dedicated Funds		5,561,227
PFC Funds - Restricted		1,104,007
CFC Funds - Restricted		886,597
Bond Fund - Aerospace Park - Restricted		2,397,876
Total Funds	$	22,079,067

Note: Above does not include cash on deposit with the Sullivan County Trustee; in the amount of $35,979; constituting the debt service reserve fund for the Series 2014A. Bonds

BONDED DEBT- June 30, 2025

$2,975,000 Airport Revenue and Tax Refunding (Taxable) Bonds; Series 2014A

Note: The Series 2014A were closed by Sullivan County with a final payment of $371,051.42 on May 31, 2022 using TCAA escrowed funds confirmed at FYE 2021 in the amount of $407,000.00.

$5,905,000 Aerospace Park Bonds (Taxable), Series 2018;
(After Washington County portion defeasement on 03/09/2022)

Debt Service:	Principal FY 2025	Interest FY 2025
11/01/2024 (Interest Only) and 05/01/2025	$ 290,000	$ 175,806
Total Current Debt Service Requirements	$ 290,000	$ 175,806
Total Principal and Interest Due to Maturity	$ 5,110,000	$ 1,418,994

Note: The Series 2018 Aerospace Park Bonds are secured by the future net revenues of Aerospace Park and subject to an intergovernmental financing agreement between all Tennessee Authority members which provides guaranty agreements to cover debt service on a prorata basis until the Aerospace Park net revenue stream is sufficient to provide all or part of the debt service on the Bond issue.

Submitted by: Rachel C. Squibb
Director of Finance

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	Airline Landing Fees	$770,468	$766,600	$3,868
	Airline Rents	1,773,711	1,797,200	(23,489)
	TOTAL AIRLINE REVENUE	**2,544,179**	**2,563,800**	**(19,621)**
	General Aviation	1,172,817	1,143,500	29,317
	Air Cargo	98,394	108,600	(10,206)
	Parking Revenue	3,255,251	2,924,500	330,751
	Rental Car Revenue	2,097,425	1,743,700	353,725
	Terminal Concessions	264,917	249,700	15,217
	Terminal Space Rents	97,203	112,500	(15,297)
	Other Revenues	488,261	357,500	130,761
	TOTAL NON-AIRLINE REVENUE	**7,474,268**	**6,640,000**	**834,268**
	TOTAL REVENUE	**10,018,447**	**9,203,800**	**814,647**
	Airfield Area	380,995	245,500	135,495
	Aviation Properties	81,556	59,000	22,556
	Terminal Area	984,177	884,100	100,077
	Air Cargo Center	31,937	31,000	937
	Other Properties	124,410	114,600	9,810
	Public Safety	1,524,233	1,542,000	(17,767)
	Maintenance Dept.	924,449	908,800	15,649
	Janitorial Dept.	653,087	719,200	(66,113)
	Airport Services	75,441	184,000	(108,559)
	Public Parking	508,383	515,900	(7,517)
	Trade Development	184,710	182,500	2,210
	Marketing Dept.	796,270	934,600	(138,330)
	Ground Handling Services	237,369	196,600	40,769
	Airport Business Dev	95,422	181,000	(85,578)
	Administrative	2,088,929	1,975,600	113,329
	TOTAL EXPENSES	**8,691,368**	**8,674,400**	**16,968**
		$1,327,079	**$529,400**	**$797,679**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	AIRLINE LANDING FEES			
51010-201	Landing Fees: Delta Connection	$331,943	$292,600	$39,343
51025-201	Landing Fees: American Airlines	374,024	401,100	(27,076)
51040-201	Landing Fees: Allegiant Airlines	64,501	72,900	(8,399)
	TOTAL AIRLINE LANDING FEES	**$770,468**	**$766,600**	**$3,868**
	AIRLINE RENTAL REVENUE			
51507-202	Floor Space: American Airlines	$132,658	$132,700	($42)
51515-202	Floor Space: Delta Connection	159,448	159,400	48
51518-202	Joint Use Space	7,524	9,800	(2,276)
51519-202	Terminal Apron Charge	48,416	68,300	(19,884)
51525-202	Terminal Space Area Use	580,560	591,000	(10,440)
51526-202	Ground Equipment Storage	2,640	2,800	(160)
51530-202	Jetway Use Fee	68,718	60,300	8,418
51535-202	PSO Security Reimbursement	770,998	771,000	(2)
51546-202	Janitorial & Trash Reimbursement	2,749	1,900	849
	TOTAL AIRLINE RENTS	**$1,773,711**	**$1,797,200**	**($23,489)**
	TOTAL AIRLINE REVENUE	**$2,544,179**	**$2,563,800**	**($19,621)**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	GENERAL AVIATION REVENUE			
52005-203	Charters - Landing Fees	$5,450	$14,000	($8,550)
52007-203	Charters - Terminal Facilities Fees	6,060	13,000	(6,940)
52020-203	FBO - Minimum Annual Operating Fee	348,542	348,550	(8)
52030-203	FBO - 3% Gross Revenue Fee	215,500	197,400	18,100
52070-203	FBO - Fuel Flowage Fees	101,684	87,850	13,834
52072-203	FBO - Utility Reimbursement	9,847	9,600	247
52075-203	Flying Service - Rents	5,432	5,450	(18)
52076-203	Flying Service - Utility Reimb	2,503	2,550	(47)
52080-203	Speciality Service Operations	144,180	144,200	(20)
52110-203	Corporate Hangar, Land & Access	297,865	290,000	7,865
52160-203	Corporate Fuel Fees	32,956	27,000	5,956
52165-203	GA - Self-Fueling	2,798	3,900	(1,102)
	TOTAL GEN. AVIATION REVENUE	**$1,172,817**	**$1,143,500**	**$29,317**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	AIR CARGO REVENUE			
52510-204	Cargo: Landing Fees	$3,767	$3,500	$267
	AIR CARGO CENTER			
52540-204	Cargo: Cargo Center - Terminal Space	85,848	88,500	(2,652)
52543-204	Cargo: Services Reimbursements	5,025	10,000	(4,975)
52544-204	Cargo: Cargo Center - Utility Reimb	3,754	6,600	(2,846)
	TOTAL AIR CARGO REVENUE	**$98,394**	**$108,600**	**($10,206)**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	PARKING REVENUE			
53150-205	Parking: Long-Term	$2,755,147	$2,158,200	$596,947
53151-205	Parking: Short-Term	475,016	742,600	(267,584)
53154-205	Parking: Other Revenue	25,088	23,700	1,388
	TOTAL PARKING REVENUE	**$3,255,251**	**$2,924,500**	**$330,751**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	RENTAL CAR REVENUE			
53605-206	RAC: Floor Space Rents	$63,071	$62,200	$871
53610-206	RAC: Commissions	1,682,671	1,500,000	182,671
53620-206	RAC: Service Facility	108,277	101,500	6,777
53623-206	RAC: RAC - Utility Reimbursement	33,566	40,000	(6,434)
53627-206	RAC: Service Facility - Maint CFC Reimb	209,840	40,000	169,840
	TOTAL RENTAL CAR REVENUE	**$2,097,425**	**$1,743,700**	**$353,725**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	TERMINAL CONCESSION REVENUE			
54100-207	Terminal: Advertising	$59,364	$68,000	($8,636)
54106-207	Terminal: Restaurant & Gift Shop	194,567	169,700	24,867
54107-207	Terminal: Tailwinds - Util Reimbursement	10,986	10,000	986
54125-207	Terminal: Miscellaneous Revenue	0	2,000	(2,000)
	TOTAL TERMINAL CONCESSIONS	**$264,917**	**$249,700**	**$15,217**
	TERMINAL SPACE RENTS			
54290-208	Terminal Rents: Office Space	$84,205	$100,300	($16,095)
54360-208	Terminal Rents: Utility Reimbursement	10,178	8,700	1,478
54410-208	Terminal Rents: Janitorial & Trash Reimbursemen	2,100	2,800	(700)
54520-208	Terminal Rents: PA System	720	700	20
	TOTAL TERMINAL SPACE RENTS	**$97,203**	**$112,500**	**($15,297)**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	OTHER REVENUE			
51550-202	Ground Handling Services	$122,751	$120,800	$1,951
52008-203	Charters - Ground Handling	7,895	20,800	(12,905)
55210-209	Other Properties: Ground Leases-Farm Land	6,928	6,200	728
55300-209	Other Properties: Other Leases	36,806	34,600	2,206
55302-209	Other Properties: Utility Reimb	8,620	5,400	3,220
55421-209	Other: Salary Supplements	14,400	9,600	4,800
55432-000	Other: FTZ Contributions	124,124	124,100	24
55435-209	Other: Ice Revenue	10,462	9,000	1,462
55440-209	Other: ID's & Fingerprinting Revenue	42,095	9,000	33,095
55445-209	Other: Gasoline Sales	15,041	9,000	6,041
55450-209	Other: Miscellaneous Billings	60,021	9,000	51,021
55500-210	Aerospace Park - Ground Revenue	12,718	0	12,718
93106-000	Contributions from Tailwinds	26,400	0	26,400
	TOTAL OTHER REVENUE	**$488,261**	**$357,500**	**$130,761**
	TOTAL NON-AIRLINE REVENUE	**$7,474,268**	**$6,640,000**	**$834,268**
	TOTAL OPERATING REVENUES	**$10,018,447**	**$9,203,800**	**$814,647**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	AIRFIELD AREA EXPENSE			
60010-301	Aviation - Utilities	$13,462	$15,000	($1,538)
60070-301	Aviation - Power Vault Diesel	12,587	9,000	3,587
60080-301	Aviation - Power Vault Repairs	711	2,000	(1,289)
60110-301	Aviation - Runways/Taxiways/Field	111,562	75,000	36,562
60400-301	Aviation - Ramps and Aprons	16,807	30,000	(13,193)
60500-301	Aviation - Fence & Gate Repair	10,166	5,000	5,166
60520-301	Aviation - Electrical Maintenance	50,875	12,000	38,875
60560-301	Aviation - Snow & Ice Control	96,590	35,000	61,590
60570-301	Aviation - Wildlife Control	6,417	8,000	(1,583)
60630-301	Aviation - Equipment Rental	5,315	7,000	(1,685)
60650-301	Aviation - Fuel Farm Maintenance	24,287	9,500	14,787
60655-301	Aviation - Contract Mowing	19,520	24,000	(4,480)
60700-301	Aviation - Environmental Compliance	5,090	6,000	(910)
60705-301	Aviation-Part 139 Field Reporting	7,606	8,000	(394)
	TOTAL AIRFIELD AREA EXPENSE	**$380,995**	**$245,500**	**$135,495**
	AVIATION PROPERTIES EXPENSE			
60030-301	Aviation - Domed Hangar/Offices	$8,134	$8,000	$134
60040-301	Aviation - Tri-City Aviation, Inc.	52,534	25,000	27,534
60045-301	Aviation - Corporate Hangar Maint	14,142	7,000	7,142
60050-301	Aviation - Wysong	4,798	15,000	(10,202)
62210-303	Other: New S. Aviation Hangar - Utilities	1,948	4,000	(2,052)
	TOTAL AVIATION PROPERTIES EXPENSE	**$81,556**	**$59,000**	**$22,556**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	TERMINAL AREA EXPENSE			
61010-302	Terminal - Electricity - BTES	$283,374	$300,000	($16,626)
61020-302	Terminal - Heating Fuel	33,020	25,000	8,020
61030-302	Terminal - Water & Sewer	33,167	45,000	(11,833)
61035-302	Terminal - Landscape Water	2,556	5,000	(2,444)
61040-302	Terminal - Telephone & Internet	19,334	14,200	5,134
61050-302	Terminal - Electrical Maintenance	8,637	15,000	(6,363)
61055-302	Terminal - HVAC Maintenance	68,047	30,500	37,547
61057-302	Terminal - Building Repairs	90,270	55,000	35,270
61060-302	Terminal - Plumbing	36,702	22,500	14,202
61065-302	Terminal - Landscape Service	53,570	46,000	7,570
61070-302	Terminal - Equipment/Furnishing Mtn	3,443	8,500	(5,057)
61075-302	Terminal - Roadway, Parking Lot	6,749	24,500	(17,751)
61080-302	Terminal - Contract Mowing	50,276	38,000	12,276
61081-302	Terminal - Lawn Treatment	2,340	0	2,340
61570-302	Terminal - Contract (Elevator)	52,314	45,000	7,314
61580-302	Terminal - Contract (Trash Service)	49,824	35,000	14,824
61610-302	Terminal - Other Contracts	21,140	45,000	(23,860)
61960-302	Terminal - Jetway Maintenance	89,502	78,500	11,002
61970-302	Terminal - IT Equipment & Services	67,253	36,400	30,853
61980-302	Terminal - FIDS System	12,034	15,000	(2,966)
61991-302	Terminal - Landscape Irrigation	625	0	625
	TOTAL TERMINAL AREA EXPENSE	**$984,177**	**$884,100**	**$100,077**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	AIR CARGO CENTER EXPENSE			
62560-303	Air Cargo Center: Utilities	$16,515	$12,000	$4,515
62562-303	Air Cargo Center: Heating Fuel	0	1,000	(1,000)
62565-303	Air Cargo Center: HVAC Maintenance	280	3,000	(2,720)
62566-303	Air Cargo Center: Building Repairs	15,142	15,000	142
	TOTAL AIR CARGO EXPENSE	**$31,937**	**$31,000**	**$937**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	OTHER PROPERTIES EXPENSE			
62556-303	Other Prop: Non-Aviation Land	$0	$2,000	($2,000)
62555-303	Other Prop: Other Buildings	2,426	7,500	(5,074)
62557-303	RAC Service Facility Utilities	31,477	40,000	(8,523)
62558-303	RAC Service Facility Maint	68,755	40,000	28,755
	OTHER BUILDING EXPENSE			
62010-303	Hamilton Road Garages - Utilities	7,866	4,000	3,866
	OTHER EXPENSE			
62580-303	Other Expense: Ice Expense	5,262	3,100	2,162
62581-303	Other Expense: Airline GSE Gasoline	8,624	18,000	(9,376)
	TOTAL OTHER PROPERTIES EXP.	**$124,410**	**$114,600**	**$9,810**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	PUBLIC SAFETY DEPARTMENT EXPENSE			
63040-304	Safety - Fire Hall Expense	$25,796	$12,000	$13,796
63041-304	Safety - Fire Hall Heating Fuel	3,674	4,000	(326)
63100-304	Safety - Equipment/Furniture/Fixtures	3,078	4,000	(922)
63210-304	Safety - Equipment Maintenance	55,249	30,000	25,249
63420-304	Safety - Vehicle Fuel	15,490	30,000	(14,510)
63550-304	Safety - Training	40,935	34,000	6,935
63600-304	Safety - Uniforms	9,698	23,000	(13,302)
63650-304	Safety - Dues & Subscriptions	9,138	8,500	638
63670-304	Safety - Office Supplies	1,613	5,000	(3,387)
63700-304	Safety - General Expense	9,747	2,500	7,247
63730-304	Safety - Telephone & Internet	4,822	2,000	2,822
63740-304	Safety - Radios/Communications	0	5,000	(5,000)
63760-304	Safety - Medical & Psy Testing	1,625	2,500	(875)
63800-304	Safety - Medical Supplies	3,211	2,500	711
63910-304	Safety - ID's & Fingerprinting	12,125	10,000	2,125
63915-304	Safety - Security Parking	0	800	(800)
63985-304	Safety - Access Control	38,825	30,000	8,825
63986-304	Safety-Worker's Comp Insurance	15,098	12,600	2,498
63988-304	Safety - Overtime	55,153	35,000	20,153
63989-304	Safety - Part-Time Salaries	41,998	42,100	(102)
63990-304	Safety - Full-Time Salaries	798,324	821,500	(23,176)
63991-304	Safety - FICA Expense	67,485	69,500	(2,015)
63992-304	Safety - Retirement Expense	61,517	106,200	(44,683)
63994-304	Safety - General Personnel	23,700	13,400	10,300
63995-304	Safety - Group Insurance	225,932	235,900	(9,968)
	TOTAL PUBLIC SAFETY EXPENSE	**$1,524,233**	**$1,542,000**	**($17,767)**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	MAINTENANCE DEPARTMENT EXPENSE			
64020-305	Maintenance - Utilities	$8,704	$10,000	($1,296)
64030-305	Maintenance - Telephone	3,407	1,500	1,907
64050-305	Maintenance - Heating Fuel	3,515	3,000	515
64120-305	Maintenance - Building Repair	30,318	12,000	18,318
64150-305	Maintenance - Equipment Mtn	62,665	60,000	2,665
64610-305	Maintenance - Vehicle Fuel & Oil	29,560	25,000	4,560
64650-305	Maintenance - Tools & Hardware	18,766	12,000	6,766
64700-305	Maintenance - Training	7,880	8,500	(620)
64750-305	Maintenance - Uniforms	8,353	10,000	(1,647)
64800-305	Maintenance - General Expense	17,344	10,000	7,344
64900-305	Maintenance - Salaries	466,290	465,700	590
64901-305	Maintenance - FICA Expense	36,704	38,300	(1,596)
64902-305	Maintenance - Retirement Expense	42,722	58,800	(16,078)
64903-305	Maintenance - Overtime	32,761	30,000	2,761
64904-305	Maintenance - Group Insurance	149,711	158,600	(8,889)
64907-305	Maintenance - General Personnel	5,749	5,400	349
	TOTAL MAINTENANCE EXPENSE	**$924,449**	**$908,800**	**$15,649**

Footnote: 50% of Public Safety Budget reimbursed by Airlines

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	BUILDING SERVICES EXPENSE			
65100-306	Building Services - Supplies	$54,730	$65,000	($10,270)
65105-306	Building Services - Equipment Purchases	4,095	7,000	(2,905)
65110-306	Building Services - Furniture & Fixtures	3,286	1,700	1,586
65115-306	Building Services - Equipment Mtn	3,172	4,000	(828)
65120-306	Building Services - Uniforms	6,390	9,000	(2,610)
65125-306	Building Services - General Expense	2,749	2,500	249
65130-306	Building Services - Snow Removal	0	500	(500)
65200-306	Building Services - Salaries	373,487	388,200	(14,713)
65205-306	Building Services - Overtime	18,349	15,000	3,349
65210-306	Building Services - FICA Expense	28,896	31,100	(2,204)
65220-306	Building Services - Retirement Expense	27,984	44,200	(16,216)
65230-306	Building Services - Group Insurance	124,313	144,900	(20,587)
65237-306	Building Services - General Personnel	5,416	4,100	1,316
65238-306	Building Services - Training	220	2,000	(1,780)
	TOTAL BUILDING SERVICES EXPENSE	**$653,087**	**$719,200**	**($66,113)**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	AIRPORT SERVICES EXPENSE			
65510-316	Customer Experience - Supplies	$229	$2,000	($1,771)
65515-316	Customer Experience - Programs & Materials	0	100,300	(100,300)
65520-316	Customer Experience - Uniforms	0	2,250	(2,250)
65530-316	Customer Experience - Training	1,150	5,000	(3,850)
65535-316	Customer Experience - Salaries	48,774	47,200	1,574
65540-316	Customer Experience - FICA Expense	3,511	3,650	(139)
65545-316	Customer Experience - Retirement	2,920	4,600	(1,680)
65550-316	Customer Experience - Group Insurance	18,412	18,500	(88)
65556-316	Customer Experience - General Personnel	445	500	(55)
	TOTAL AIRPORT SERVICE EXPENSE	**$75,441**	**$184,000**	**($108,559)**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	PUBLIC PARKING EXPENSE			
69300-320	Parking: Salaries & Wages	$277,300	$280,700	($3,400)
69301-320	Parking: Payroll Taxes	21,193	21,000	193
69302-320	Parking: Uniforms	467	1,500	(1,033)
69303-320	Parking: Health Care & Retirement	54,358	53,350	1,008
69304-320	Parking: Garage Supplies	1,172	5,000	(3,828)
69306-320	Parking: Printing & Ticket Expense	618	4,000	(3,382)
69308-320	Parking: Office Supplies	2,802	3,000	(198)
69309-320	Parking: Office Equipment	1,813	500	1,313
69310-320	Parking: Repairs & Maint.	5,317	10,000	(4,683)
69314-320	Parking: License & Fees	0	500	(500)
69316-320	Parking: Liability & Other Insurance	480	500	(20)
69317-320	Parking: Worker's Comp	8,014	8,400	(386)
69318-320	Parking: Utilities-Water	959	500	459
69320-320	Parking: Utilities-Electricity	5,289	6,000	(711)
69322-320	Parking: Postage & Freight	122	250	(128)
69324-320	Parking: Telephone & Communications	3,697	5,000	(1,303)
69326-320	Parking: Recruiting Expense	90	500	(410)
69327-320	Parking: Advertising & Publicity	46	0	46
69328-320	Parking: Financial Services	2,757	2,500	257
69330-320	Parking: Credit Card Discount	85,237	75,000	10,237
69331-320	Parking: Truck Fuel	2,289	4,000	(1,711)
69332-320	Parking: Miscellaneous Expense	5,923	3,500	2,423
69334-320	Parking: Management Fee	28,440	30,200	(1,760)
	TOTAL PUBLIC PARKING EXPENSE	**$508,383**	**$515,900**	**($7,517)**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	TRADE DEVELOPMENT EXPENSE			
	FOREIGN TRADE ZONE EXPENSE			
69050-309	FTZ: Programs & Materials	0	200	(200)
69051-309	FTZ: Contract Services	6,611	2,000	4,611
69052-309	FTZ: Marketing & Advertising	0	200	(200)
69053-309	FTZ: Professional Affiliations	1,575	1,300	275
69054-309	FTZ: Subscriptions	138	500	(362)
69055-309	FTZ: Meetings, Registration	0	500	(500)
69057-309	FTZ: Special Events	1,653	100	1,553
69059-309	FTZ: Legal	0	1,000	(1,000)
	TOTAL FOREIGN TRADE ZONE EXP	**9,977**	**5,800**	**4,177**
	ADMINISTRATIVE EXPENSE			
69070-309	DEV: ADMIN - Travel & Auto	0	3,000	(3,000)
69071-309	DEV: ADMIN - Airport Promotion	0	100	(100)
69072-309	DEV: ADMIN - Office Supplies	840	300	540
69073-309	DEV: ADMIN - Furniture & Equipment	0	200	(200)
69074-309	DEV: ADMIN - Communications	1,072	1,000	72
69075-309	DEV: ADMIN - Postage & Courier	0	100	(100)
69076-309	DEV: ADMIN - Printing & Forms	0	100	(100)
69077-309	DEV: ADMIN - Staff Training	975	100	875
	TOTAL ADMINISTRATIVE EXPENSE	**2,887**	**4,900**	**(2,013)**
	PERSONNEL COST			
69080-309	DEV: Salaries	115,609	112,650	2,959
69082-309	DEV: FICA	8,574	8,700	(126)
69083-309	DEV: Retirement	20,763	22,900	(2,137)
69084-309	DEV: Group Insurance	25,837	26,000	(163)
69086-309	DEV: General Personnel	1,063	1,550	(487)
	TOTAL PERSONNEL COST	**171,846**	**171,800**	**46**
	TOTAL TRADE DEVELOPMENT EXP	**$184,710**	**$182,500**	**$2,210**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	MARKETING & AIR SERVICE DEV EXPENSE			
	AIRPORT & COMMUNITY RELATIONS			
67215-308	Marketing - Advertising	$9,839	$15,000	($5,161)
67225-308	Mkt - Website, Programs & Materials	36,044	36,000	44
67244-308	Marketing - Community Relations	14,052	30,000	(15,948)
	AIR SERVICE DEVELOPMENT			
67291-308	Marketing - Research & Development	17,574	35,000	(17,426)
67292-308	Marketing - Consulting Services	93,730	130,000	(36,270)
67293-308	Marketing - Airline Relations	26,428	38,000	(11,572)
67294-308	Marketing - Marketing Initiative	348,968	399,000	(50,032)
	MARKETING SUPPORT			
67262-308	Marketing - Travel	34,949	42,000	(7,051)
67264-308	Marketing - Auto & Fuel	0	1,800	(1,800)
67272-308	Marketing - Professional Affliliations	1,128	2,800	(1,672)
67285-308	Marketing - Supplies & Misc	713	4,000	(3,287)
67287-308	Mkt - Phones & Data Communications	2,192	2,300	(108)
67900-308	Marketing - Salaries	157,181	148,700	8,481
67901-308	Marketing - FICA Expense	12,337	11,500	837
67903-308	Marketing - Retirement Expense	7,953	14,700	(6,747)
67905-308	Marketing - Group Insurance	24,989	21,900	3,089
67911-308	Marketing - General Personnel	8,193	1,900	6,293
	SUB-TOTAL MARKETING SUPPORT	**249,635**	**251,600**	**(1,965)**
	TOTAL MARKETING & AIR SERVICE	**$796,270**	**$934,600**	**($138,330)**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	GROUND HANDLING SERVICES EXPENSE			
68921-310	GHS - Supplies	$6,123	$2,500	$3,623
68923-310	GHS - Equipment Maintenance	30,478	9,000	21,478
68925-310	GHS - Equipment Fuel	2,161	2,000	161
68926-310	GHS - Telephone & Communication	2,045	1,200	845
68927-310	GHS - Miscellaneous	1,013	2,000	(987)
68928-310	GHS - 3rd Party Services	130	0	130
68929-310	GHS - Staff Training	1,760	2,000	(240)
68930-310	GHS - Uniforms	6,195	10,500	(4,305)
68931-310	GHS - Salaries	164,262	150,000	14,262
68933-310	GHS - FICA	12,812	8,700	4,112
68935-310	GHS - Retirement	3,850	0	3,850
68939-310	GHS - General Personnel	3,474	1,700	1,774
68946-310	GHS - Standby Rate - $8	3,053	5,000	(1,947)
68947-310	GHS - Less Than 3.5 hrs Rate - $10	13	2,000	(1,988)
	TOTAL GND HANDLING SVCS EXP	**$237,369**	**$196,600**	**$40,769**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	AIRPORT BUSINESS DEVELOPMENT EXPENSE			
68950-318	Business Dev: Partnerships	$500	$6,000	($5,500)
68952-318	Business Dev: Programs & Materials	900	10,000	(9,100)
68954-318	Aerospace Industry Travel	5,380	35,000	(29,620)
68956-318	Aerospace Park Marketing	42,734	80,000	(37,266)
68958-318	Aerospace Park Contracted Services	45,908	45,000	908
68960-318	Aerospace Park Website	0	5,000	(5,000)
	TOTAL AIR BUSINESS DEV EXP.	**$95,422**	**$181,000**	**($85,578)**

Tri-Cities Airport Authority
FY 2025 Operating Budget
6/30/2025

General Ledger		Year-to Date	Year-to-Date Budget	Year-to-Date $ Variance
	ADMINISTRATIVE DEPARTMENT EXPENSE			
66010-307	Admin - Auditing	$58,636	$62,000	($3,364)
66030-307	Admin - Legal	17,143	30,000	(12,857)
66060-307	Admin - Insurance & Bonding	312,179	305,700	6,479
66210-307	Admin - Dues & Subscriptions	39,902	30,000	9,902
66260-307	Admin - Consulting Services	72,412	36,500	35,912
66300-307	Admin - Engineering Services	32,101	15,000	17,101
66550-307	Admin - Furniture & Fixtures	21,966	3,000	18,966
66560-307	Admin - Office Equipment	13,298	2,000	11,298
66570-307	Admin - Office Supplies	8,195	12,000	(3,805)
66660-307	Admin - Telephone & Internet	25,855	28,700	(2,845)
66750-307	Admin - Office Equipment Maintenance	6,674	7,000	(326)
66850-307	Admin - General Administrative	36,752	25,000	11,752
66861-307	Admin - Education & Training	5,054	4,000	1,054
66940-307	Admin - Seminars & Conferences	45,484	30,000	15,484
66970-307	Admin - Postage & Shipping	1,442	1,500	(58)
66990-307	Admin - Salaries	1,031,859	1,066,800	(34,941)
66991-307	Admin - FICA Expense	75,927	77,900	(1,973)
66992-307	Admin - Retirement Expense	95,757	105,900	(10,143)
66994-307	Admin - Group Insurance	143,178	133,600	9,578
66996-307	Admin - General Personnel	62,152	24,000	38,152
67001-307	Admin - Capitalized Salaries (Projects)	(17,037)	(25,000)	7,963
	SUB-TOTAL ADMINISTRATIVE	**$2,088,929**	**$1,975,600**	**$113,329**
	TOTAL ADMINISTRATIVE EXPENSE	**$2,088,929**	**$1,975,600**	**$113,329**

Director of Marketing and Air Service Development,

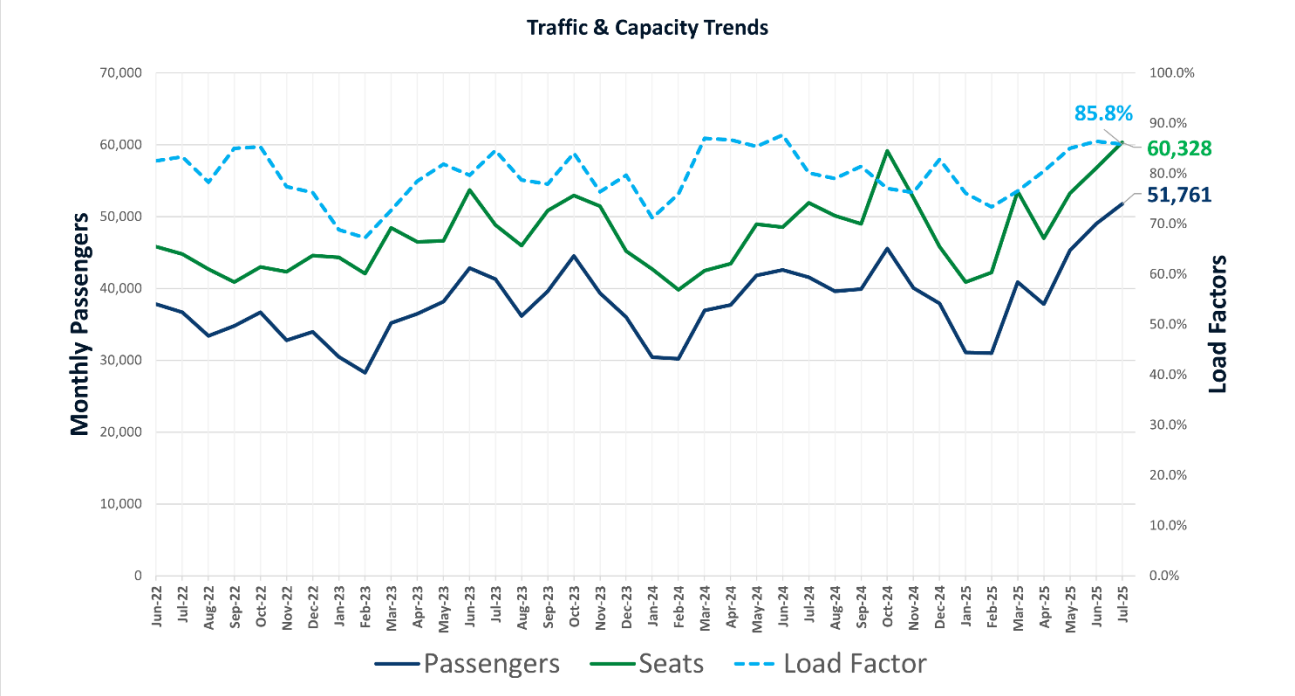
Trevor Rice

Tri-Cities Airport Authority
August 28, 2025

REPORT:

Air Service Development & Marketing Report

Air Service Development:



Traffic & Capacity Trends (Latest Available: July 2025)		
Metric	**July 2025**	**YoY Change**
Passengers	51,761	+24.5%
Seats	60,328	+16.2%
Load Factor	85.8%	+7.1%

Projected Seat Capacity (Forward-Looking)		
Month	**Projected Seats**	**YoY Change**
September	26,458	+8%
October	28,949	-2%
November	26,202	0%
December	26,761	+18%
January	25,175	+12%

- June 2025 set the record for highest monthly passenger count in TRI's history with 49,852 passengers, surpassing the previous record of 45,557 set in October 2024. **That record**

was quickly broken the following month, as July 2025 saw 51,761 passengers—the new all-time monthly high at TRI.

Airline Schedules (September - January)				
Airline	**Route**	**Frequency**	**Aircraft**	**Notable Changes**
Allegiant	PIE (St. Pete)	---	---	Seasonal service returns Feb. 13, 2026
	SFB (Orlando)	2x/week (Aug 28–Sep 28) Mix 2x/3x (Oct 2-Jan 29)	A319/A320, B737	Stable
American	CLT (Charlotte)	Avg. 6 daily	ERJ-145, CRJ 700	Stable
	DFW (Dallas)	2x/day (Sept-Dec 31*) → 1x/day (Jan 7...)	ERJ-175/170, CRJ 900	*Frequency drops to 1x/day Dec 3-18, Jan 7..
Breeze	MCO (Orlando)	2x/week	A220	NEW
	IAD (Washington, DC)	2x/week	A220	NEW
Delta	ATL (Atlanta)	Avg. 5 daily	CRJ-700/900, B717	Stable

Advertising, Community Relations, Customer Experience:

Social Media

Month	July (vs. June)	August (1–17)	Total
Followers	40,502 (4.18%)	40,676	40,676
Reach	189,801 (108%)	145,525	335,326
Engagements	6,035 (228%)	2,631	8,666
Engagement Rate	3.18% (1.17%)	1.81%	2.58%

- July was a strong month across all platforms, driven primarily by the Breeze Airways new service announcement. Engagement, reach, and follower growth all trended above the previous month and year-over-year, with Facebook and TikTok in particular seeing notable spikes. The announcement content also outperformed typical averages, boosting engagement rates across the board.

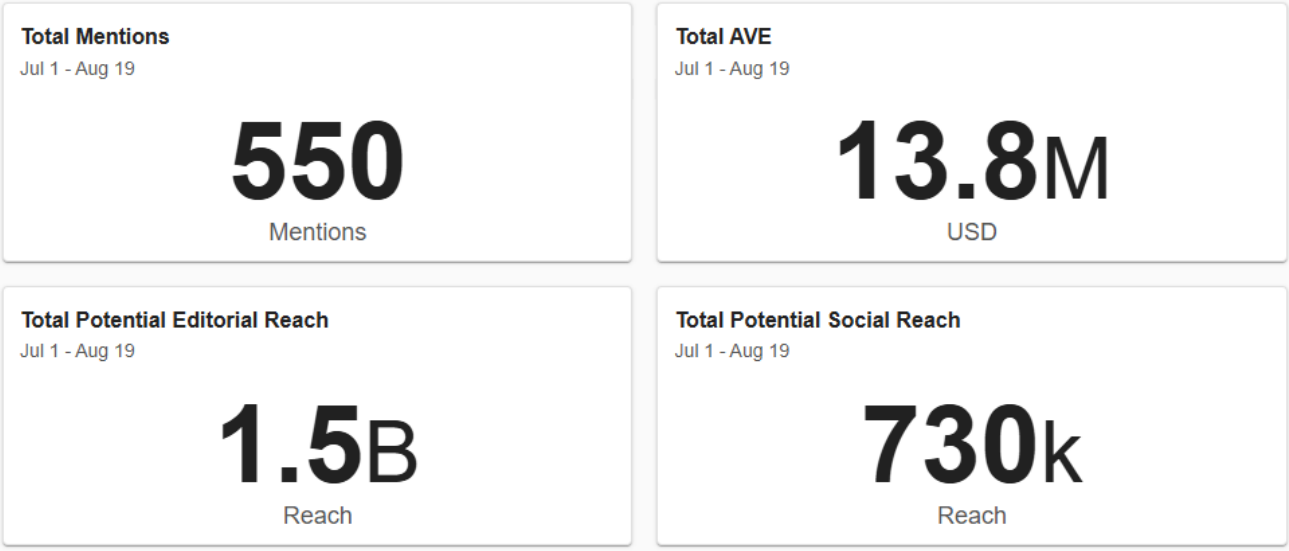
- So far in August, activity has been sustained through coverage of the MLB Speedway Classic and other topical content. Instagram and TikTok performed especially well thanks to timely, high-interest posts, including content tied to entertainment and sports. These moments helped drive engagement rates above averages, even as reach normalized compared to July's announcement-driven spike.

Email:



- One campaign was sent in July announcing the new Breeze service. While overall engagement was lower than past averages, this was expected as the email served primarily as an informational update with limited calls to action. The unsubscribe rate remained consistent with norms, and the list continues to show steady health.

Earned Media:



- Media coverage was strong, with significant visibility generated by the Breeze Airways announcement in July, followed by continued coverage in August highlighting passenger numbers, new service, and the Tri-Cities as a destination. While July naturally brought the highest spike in mentions, August has maintained high-value coverage across multiple outlets.

- The Fly Local advertising campaign continues with refreshed creative introduced in July. Updated imagery provides a fresh look while keeping the campaign aligned with its core messaging. Placements remain consistent across programmatic display, paid search, paid social, cable, OTT, billboards, mixed digital and broadcast, and radio.

- Community engagement continues to be a priority for TRI. In July, we hosted a special announcement event for the new Breeze Airways service, providing an opportunity to engage directly with the community, highlight new travel options, and generate excitement around the airport's offerings. In August, TRI also connected with the community as a sponsor and exhibitor at the Meet the Mountains Festival, further reinforcing engagement with local audiences. Upcoming activations include sponsorships for ETSU Athletics and the Bristol Rhythm & Roots Reunion.

Since the June TCAA meeting:

- Organized and hosted an announcement event welcoming Breeze Airways to our market.
- Participated in multiple meetings with both new and current air carriers.
- Participated in monthly ACI-NA Air Service Committee Steering Group meeting.
- Staff met with community partners regarding upcoming tours.
- Staff provided air service data to community partners.
- Staff attended the Economic Development Committee.
- Staff participated in internal meetings to discuss the FBO transition.
- Staff participated in meetings with fuel provider to discuss the FBO branding.
- Represented TRI at community events.
- Participated in internal meetings discussing various updates and possible improvements at TRI.
- Hosted 2 American Airline network planners for the MLB Speedway Classic.
- Met with potential in-airport advertisers.
- Provided multiple airport tours.
- Handled media inquiries and scheduled interviews.
- The Marketing Team met regularly to discuss current and upcoming projects.

Submitted by: Trevor Rice
Director of Marketing & Air Service Development

Director Business Development,

Mark Canty

REPORT:

Business Development

Summary:

- I have submitted Turtleson LLC's usage-driven site application to the Foreign-Trade Zones (FTZ) Board. After an initial review, the Board suggested some minor changes to the application and supporting documents. Those changes were made and the application was resubmitted. We are currently awaiting the second review. After approval, Turtleson will work with Customs and Border Protection to become an activated FTZ user.

- I gave an FTZ presentation at the "Navigating International Trade" even hosted by the ETSU Innovation Lab early August. Participation included those on-site at ETSU as well as several overseas. The presentation is available if anybody would like to access it.

- I have been assisting a company called Alfatec to understand FTZ and quantify any benefits they might have by activating as a user. I was introduced to them at the ETSU event.

- We completed site visits with all three finalists from our Aerospace Park Spec Hangar RFQ. As of the date and time of this report, DavCon had submitted an initial proposal for review. We will review the proposal this week and discuss as a group. Pure Development and JA Street also toured Aerospace Park and are expected to submit proposals and/or remain active in the process.

- I participated in a walkthrough of Turtleson LLC's clothing distribution center in Bristol, TN. The walkthrough is a required component of the FTZ activation phase, the purpose of which is so that Customs and Border Protection (CBP) can recommend physical security changes to a prospective user's facility or record-and-inventory-keeping practice changes. Because Turtleson's inventory tracking system is so advanced, relatively minor changes are all that we expect in CBP's assessment. In fact, CBP has issued a letter of support for Turtleson's FTZ application which was submitted along with the required supporting documentation.

- I will be attending NBAA-BACE in Las Vegas in October.

Submitted by: Mark Canty
Director of Business Development

Operations Report

Chief Operating Officer, David Jones

REPORT:

Capital Project Update

FY 2023 CAPITAL PROJECTS

1. **Airport Master Plan Update Project (Professional Services)**

   Atkins Realis - FAA will be reviewing the ALP and Exhibit A for approval. Airport Financials and CIP, will be finalized in the coming months.

Project Amount	$ 1,432,847.00
Estimated Project Percent Completion	82%

2. **Airport Terminal Public Adress System Improvements Project (Design/Bid)**

   Meade & Hunt - The consultant completed the project design, cost analysis, planning and budget estimating for a construction project. Bids for the work are forthcoming.

Project Amount	$ 141,070.00
Estimated Project Percent Completion	100%

FY 2025 CAPITAL PROJECTS

1. **Airport - Public Parking Lot Expansion (Construction)**

   Summers and Taylor, Inc. – Phase 1 asphalt binder paving and electrical light poles are complete, contractor continues milling, grading and preparing subgrade for base stone in Phase 2, installing storm sewer pipe and electrical conduit.

Project Amount	$ $ 2,684,006.50
Estimated Project Percent Completion	58%

2. **Airport - Twy A Extension, Twy C Removal West of Rwy 23 and Rwy 5 RSA Improvements (Construction)**

   Summers and Taylor, Inc. - The contractor continues with subgrade fill material, temporary pavement markings, electrical lighting, erosion control and demolition.

Project Amount	$ $ 7,375,279.00
Estimated Project Percent Completion	35%

3. Airport – Parking and Revenue Control System (PARCS) (Construction)

Amano McGann, Inc. - The contractor mobilized, began conduit installation boring and material delivery.

Project Amount	$	806,792.00
Estimated Project Percent Completion		10%

4. Airport – Terminal/Concourse – Passenger Check Point Improvements (Construction)

Comsa Construction, Inc. - The contractor is currently preparing project contracts and setting up project files and submittal logs, while waiting on the funding grants.

Project Amount	$	9,434,600.00
Estimated Project Percent Completion		0%

5. Airport – Twy A Bank Slide Rehabilitation (Construction)

Baker Construction Services. - The contractor is currently preparing project contracts and setting up project files and submittal logs, while waiting on the funding grants.

Project Amount	$	321,324.15
Estimated Project Percent Completion		0%

Submitted by: David W. Jones
Chief Operating Officer

President/CEO,
Gene Cossey

Verbal Report