REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE:	16 July 2014
SUBJECT:	Request by Greater Asheville Regional Airport Authority ("GARAA") to acquire Henderson County land
PRESENTER:	John Mitchell, Business and Community Development Director
ATTACHMENT(S):	Contract to acquire land; Map

SUMMARY OF REQUEST:

GARAA seeks permission to acquire 15.33 acres in the Ferncliff Industrial Park abutting the new runway to be built at the airport. Even though GARAA is an authority under North Carolina law,

[n]otwithstanding the provisions of G.S. 153A-158, 160A-240.1, 130A-55, or any other general law or local act conferring the power to acquire real property, before any county, city or town, special district, or other unit of local government which is located wholly or primarily outside another county acquires any real property located in the other county by exchange, purchase or lease, it must have the approval of the county board of commissioners of the county where the land is located.

GARAA has reached agreement with the owners of the property to acquire this land. A map of the affected land is also included.

GARAA staff will present further information on this matter.

BOARD ACTION REQUESTED:

Consideration of GARAA request.

If the Board is so inclined, the following motion is suggested:

I move that the Board grant its approval to the acquisition by Greater Asheville Regional Airport Authority of the land described in the documents attached to this agenda item.



July 10, 2014

Henderson County Mr. John Mitchell, Business and Community Development Director 100 North King Street Hendersonville, NC 28792

Dear Mr. Mitchell:

The Greater Asheville Regional Airport Authority seeks to acquire 15.33 acres of property located immediately adjacent to the Asheville Regional Airport within Henderson County. The property is to be acquired from Brightstar Associates Inc., and Brite Stars, LLC, with who an agreement for purchase is already in place.

The property is required to accommodate the airport's Airfield Re-development Program which will ultimately replace the airport's existing main runway. The acquisition of this property by the Authority is needed in order to satisfy the requirements of the Federal Aviation Administration, as they relate to the protection of airspace surrounding the airport, and to ensure the safety of the travelling public in Western North Carolina. Construction activity on the property will primarily include grading and drainage improvements.

Please find enclosed a copy of the Agreement for Purchase and Sale of Real Property between the Authority and the current owners for your records.

Please contact me at (828) 654-3253 if you require any further information. Thank you in advance for your assistance with this matter.

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Sincerely,

M.a. Resma

Michael A. Reisman, A.A.E. Deputy Executive Director, Development & Operations

cc: Lew Bleiweis

AGREEMENT FOR PURCHASE AND SALE OF REAL PROPERTY (Commercial)

THIS AGREEMENT, including any and all addenda attached hereto ("Agreement"), is by and between The Greater Asheville Regional Airport Authority, a body corporate and politic in the State of North Carolina ("Buyer"), and Brightstar Associates, Inc., and Brite Stars, LLC, both North Carolina entities ("Seller").

FOR AND IN CONSIDERATION OF THE MUTUAL PROMISES SET FORTH HEREIN AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT AND SUFFICIENCY OF WHICH ARE HEREBY ACKNOWLEDGED, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. Terms and Definitions: The terms listed below shall have the respective meaning given them as set forth adjacent to each term.

(a)"**Property":** 15.33 acres, more or less, adjoining the Asheville Airport (the "Airport") to the west thereof. All the Property being located in Henderson County. If Buyer and Seller are unable to agree upon the Property's bounds, then the objecting party shall either agree with the other party's bounds, or either party may terminate this Agreement.

\$1,497,741 (b)"Purchase Price" shall mean the product of the number of acres, multiplied by \$97,700 per

acre sold;

payable on the following terms:

\$100,000 (i)"Earnest Money" shall mean One Hundred Thousand Dollars payable to

Escrow Agent (as defined below) within three (3) business days after the commencement of the Examination Period.

Upon this Agreement becoming a contract in accordance with Section 14, the Earnest Money shall be deposited, as per the above, in escrow with Patla, Straus, Robinson & Moore, P.A. ("Escrow Agent"), to be applied as part payment of the Purchase Price of the Property at Closing, or to be disbursed as agreed upon under the provisions of Section 10 herein.

\$1,397,741 (ii) **Cash, balance of Purchase Price**, at Closing in the amount of the balance due on the Purchase Price, but the same is dependent on the number of acres included in the Property (excluding said temporary construction easement area).

(c) "Closing" shall mean the date and time of recording of the deed. Closing shall occur on or before July 31, 2014.

(d) **"Contract Date"** means the date this Agreement has been fully executed by both Buyer and Seller, and each is in possession of a fully executed counterpart hereof.

(e) **"Examination Period"** shall mean None, as Buyer has no right to walk away from the deal, once Buyer has entered the Property and is charged with the risk thereof.

(f) "Broker(s)" shall mean: None; as each party hereto confirms that no real estate agent or broker is involved herewith, and each confirms that said party has dealt with no real estate agent or broker that said (indemnifying) party will indemnify the other against all charges claimed against the indemnifying party arising through the work of any real estate agent or broker.

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"Seller's Notice Address" shall be as follows: 1437 Washington Avenue, New Orleans, LA

With a copy to:

James L. Palmer, Attorney F.B. Jackson and Associates Law Firm, PLLC PO Box 1666 422 N. Church Street Hendersonville, NC 28793 828-697-5410 (Phone) 828-692-5373 (Fax) Jameslamarpalmer@hotmail.com

And another copy to:

Marc M. Livaudais, A Professional Corporation 812 Gravier Street, Suite 360 New Orleans, LA 70112 Telephone: (504) 934-4801 Facsimile: (504) 934-4812 Email: <u>marc@lblawno.com</u>

except as same may be changed pursuant to Section 12.

(h) "Buyer's Notice Address" shall be as follows: 61 Terminal Drive, Suite 1, Fletcher. NC 28732.

except as same may be changed pursuant to Section 12.

Additional terms of this Agreement are set forth on Exhibit A attached hereto and incorporated herein by reference.

Section 2. Sale of Property and Payment of Purchase Price: Seller agrees to sell and Buyer agrees to buy the Property for the Purchase Price, in accord herewith.

Section 3. Proration of Expenses and Payment of Costs: Seller and Buyer agree that all property taxes (on a calendar year basis), leases, rents, mortgage payments and utilities, shall be equitably prorated as of the date of Closing. Seller shall pay for preparation of the deed and all other documents necessary to perform Seller's obligations under this Agreement, the excise tax (revenue stamps), any deferred or rollback taxes, and other conveyance fees or taxes required by law, and the following: None. Buyer shall pay the recording costs, costs of any title search, the title insurance premium, the survey cost, and the cost of any inspections or investigations under this Agreement. Each party shall pay its own attorney's fees.

Section 4. Deliveries: Seller authorizes (1) any attorney presently or previously representing Seller to release and disclose any title insurance policy in such attorney's file to Buyer and both Buyer's and Seller's agents and attorneys; and (2) the Property's title insurer or its agent to release and disclose all materials in the Property's title insurer's (or title insurer's agent's) file to Buyer and both Buyer's and Seller's agents and attorneys. If Buyer does not consummate the Closing for any reason other than Seller default, then Buyer shall return to Seller all materials delivered by Seller to Buyer pursuant to this Section 4 (or Section 7, if applicable), if any, and shall, upon Seller's request, provide to Seller copies of (subject to the ownership and copyright interests of the preparer thereof) any and all studies, reports, surveys and other information relating directly to the Property prepared by or at the request of Buyer, its employees and agents, and shall deliver to Seller, upon the release of the Earnest Money, copies of all of the foregoing without any warranty or representation by Buyer as to the contents, accuracy or correctness thereof.

Section 5. Evidence of Title: Seller agrees to convey fee simple marketable and insurable title to the Property free and clear of all liens, encumbrances and defects of title other than: zoning ordinances and land use restrictions and

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covenants affecting the Property, and matters of record existing at the Contract Date that are not objected to by Buyer prior to the end of the Examination Period ("Permitted Exceptions"); provided that Seller shall be required to satisfy, at or prior to Closing, any encumbrances that may be satisfied by the payment of a fixed sum of money, such as deeds of trust, mortgages or statutory liens. Seller shall not enter into or record any instrument that affects the Property (or any personal property listed on **Exhibit A**) after the Contract Date without the prior written consent of Buyer, which consent shall not be unreasonably withheld, conditioned or delayed.

Section 6. Conditions: This Agreement and the rights and obligations of the parties under this Agreement are hereby made expressly conditioned upon fulfillment (or waiver by Buyer, whether explicit or implied) of the following conditions:

(a) Title Examination: After the Contract Date, Buyer shall, at Buyer's expense, cause a title examination to be made of the Property before the end of the Examination Period. In the event that such title examination shall show, in Buyer's counsel's opinion, that Seller's title is not fee simple marketable and insurable, subject only to Permitted Exceptions, then Buyer shall promptly notify Seller in writing of all such title defects and exceptions, in no case later than the end of the Examination Period, and Seller shall have thirty (30) days to cure said noticed defects. If Seller does not cure the defects or objections within thirty (30) days of notice thereof, then Buyer may terminate this Agreement and receive a return of Earnest Money (notwithstanding that the Examination Period may have expired). If Buyer is to purchase title insurance, the insuring company must be licensed to do business in the state in which the Property is located. Title to the Property must be insurable at regular rates, subject only to standard exceptions and Permitted Exceptions.

(b) **Same Condition**: If the Property is not in substantially the same condition at Closing as of the date of the offer, reasonable wear and tear excepted, then the Buyer may (i) terminate this Agreement and receive a return of the Earnest Money. Notwithstanding the foregoing, since Buyer expects to cause physical changes to the Property prior to Closing, once Buyer has entered the Property and caused such physical changes to occur, the risk of the Property not being in substantially the same condition as it was on the date of the offer shifts to Buyer, as Seller shall not be responsible for the condition of the Property once Buyer has (a) done the foregoing, or (b) Closing, whichever first occurs.

Section 7. Leases:

Seller affirmatively represents and warrants that there are no Leases (as hereinafter defined) affecting the Property.

Section 8. Environmental: Seller represents and warrants that it has no actual knowledge of the presence or disposal, except as in accordance with applicable law, within the buildings or on the Property of hazardous or toxic waste or substances, which are defined as those substances, materials, and wastes, including, but not limited to, those substances, materials and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR Part 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302.4) and amendments thereto, or such substances, materials and wastes, which are or become regulated under any applicable local, state or federal law, including, without limitation, any material, waste or substance which is (i) petroleum, (ii) asbestos, (iii) polychlorinated biphenyls, (iv) designated as a Hazardous Substance pursuant to Section 311 of the Clean Water Act of 1977 (33 U.S.C. §1321) or listed pursuant to Section 1004 of the Resource Conservation and Recovery Act of 1976 (42 U.S.C. §6903) or (vi) defined as a hazardous substance pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. §9601). Seller has no actual knowledge of any contamination of the Property from such substances as may have been disposed of or stored on neighboring tracts.

Section 9. Risk of Loss/Damage/Repair: Until Closing, the risk of loss or damage to the Property, except as otherwise provided herein (see Section 6(b)), shall be borne by Seller. Seller shall have no responsibility for the repair of the Property, including any improvements, unless the parties hereto agree hereafter in writing.

Section 10. Earnest Money Disbursement: In the event that any of the conditions hereto are not satisfied, or in the event of a breach of this Agreement by Seller, then Buyer as its sole and exclusive remedies may (1) terminate this

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Agreement and the Earnest Money shall be returned to Buyer or (2) Buyer may seek to enforce specific performance of Seller's obligations hereunder. In the event this offer is accepted and Buyer breaches this Agreement, then Seller, as its sole and exclusive remedies, may (1) terminate this contract and the Earnest Money shall be delivered to Seller or (2) Seller may seek to enforce specific performance of Buyer's obligations hereunder.

Section 11. Closing: At Closing, Seller shall deliver to Buyer a general warranty deed containing all items set forth in Section 5 and Exhibits A, B and C, in form acceptable to Seller's counsel, and other documents customarily executed or delivered by a seller in similar transactions, including without limitation, an owner's affidavit, lien waiver forms and a non-foreign status affidavit (pursuant to the Foreign Investment in Real Property Tax Act), and Buyer shall pay to Seller the Purchase Price. At Closing, the Earnest Money shall be applied as part of the Purchase Price. The Closing shall be held at the office of Buyer's attorney or such other place as the parties hereto may mutually agree. Possession shall be delivered at Closing, unless otherwise agreed herein (see Section 6 (b)).

Section 12. Notices: Unless otherwise provided herein, all notices and other communications which may be or are required to be given or made by any party to the other in connection herewith shall be in writing and shall be deemed to have been properly given and received on the date delivered in person or deposited in the United States mail, registered or certified, return receipt requested, to the addresses set out in Section 1(g) as to Seller and in Section 1(h) as to Buyer, or at such other addresses as specified by written notice delivered in accordance herewith. If any dates set forth herein fall on a non-business day, then it shall conclusively be deemed to mean the first business day thereafter. A "business day" is a weekday that the majority of banks in Asheville, NC are open for business.

Section 13. Entire Agreement: This Agreement together with all Exhibits hereto, constitutes the sole and entire agreement among the parties hereto and no modification of this Agreement shall be binding unless in writing and signed by all parties hereto.

Section 14. Enforceability: This Agreement shall become a contract when signed by both Buyer and Seller and such signing is communicated to both parties; it being expressly agreed that the notice described in Section 12 is not required for effective communication for the purposes of this Section 14. This Agreement shall be binding upon and inure to the benefit of the parties, their heirs, successors and assigns and their personal representatives.

Section 15. Adverse Information and Compliance with Laws:

(a) Seller Knowledge: Seller has no actual knowledge of (i) condemnation(s) affecting or contemplated with respect to the Property; (ii) actions, suits or proceedings pending or threatened against the Property; (iii) changes contemplated in any applicable laws, ordinances or restrictions affecting the Property; or (iv) governmental special assessments, either pending or confirmed, for sidewalk, paving, water, sewer, or other improvements on or) : None.

(b) **Compliance:** To Seller's actual knowledge, (i) Seller has complied with all applicable laws, ordinances, regulations, statutes, rules and restrictions pertaining to or affecting the Property; (ii) performance of the Agreement will not result in the breach of, constitute any default under or result in the imposition of any lien or encumbrance upon the Property under any agreement or other instrument to which Seller is a party or by which Seller or the Property is bound; and (iii) there are no legal actions, suits or other legal or administrative proceedings pending or threatened against the Property, and Seller is not aware of any facts which might result in any such action, suit or other proceeding.

Section 16. Survival of Representations and Warranties: All representations, warranties, covenants and agreements made by the parties hereto shall not survive the Closing and delivery of the deed. Seller shall, at or within six (6) months after the Closing, and without further consideration, execute, acknowledge and deliver to Buyer such other documents and instruments, and take such other action as Buyer may reasonably request or as may be necessary to more effectively transfer to Buyer the Property described herein in accordance with this Agreement.

Section 17. Applicable Law: This Agreement shall be construed under the laws of the state in which the Property is located.

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Section 18. Assignment: This Agreement may not be assigned by the parties hereto without consent of the other party.

Section 19. Tax-Deferred Exchange: In the event Buyer or Seller desires to effect a tax-deferred exchange in connection with the conveyance of the Property, Buyer and Seller agree to cooperate in effecting such exchange; provided, however, that the exchanging party shall be responsible for all additional costs associated with such exchange, and provided further, that a non-exchanging party shall not assume any additional liability with respect to such tax-deferred exchange. Seller and Buyer shall execute such additional documents, at no cost to the non-exchanging party, as shall be required to give effect to this provision.

Section 20. Authority: Each signatory to this Agreement represents and warrants that he or she has full authority to sign this Agreement and such instruments as may be necessary to effectuate any transaction contemplated by this Agreement on behalf of the party for whom he or she signs and that his or her signature binds such party.

Section 221. Notice: A memorandum hereof may be placed of record.

BUYER:

SELLER:

The Greater Asheville Regional Airport Authority

Bv: BLEIWEIS Name: Lew

Title: Authorized Signer

Date: June 28, 2014

Brightstar Associates, Inc.

Bv:

Name: Vaughan Fitzpatrick

Title: President

Date: June <u>38</u>, 2014

Brite Stars, LLC Bv:

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Name: Vaughan Fitzpatrick

Title: Manager

Date: June <u>36</u>, 2014

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The undersigned hereby acknowledges receipt of the Earnest Money set forth herein and agrees to hold said Earnest Money in accordance with the terms hereof.

Date: June 30, 2014

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Exhibit B

AS IS ADDENDUM TO BE INCORPORATED INTO GENERAL WARRANTY DEED

Buyer declares and acknowledges (a) that Seller does not warrant that the within conveyed property is free from redhibitory or latent defects or vices or any environmental conditions, including, but not limited to asbestos, lead based-paint or any

"Hazardous Substances" (Hazardous Substances is hereby defined and shall mean any chemical, substance, toxic, a pollutant, or a contaminant, under any current or future federal, state, or local law, ordinance, rule, regulation, or judicial or administrative order of decision relating to protection of public health, safety, or the environment, and includes, without limitation, any material or substance that is (i) defined as a hazardous substance under any law of the State of North Carolina, (ii) petroleum or petroleumcontaining , (iii) asbestos or asbestos-containing, (iv) designated as a "hazardous substance" under the Federal Water Pollution Control Act, 33 U.S.C. Section 1321 et. seq., (v) defined as a "hazardous waste" under the Federal Resource Conservation and Recovery Act. 42 U.S.C. Section 6901 et. seq., (vi)defined as a "hazardous substance" under the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et. seq ., (vii) defined as a "regulated substance" pursuant to Chapter IX, Solid Waste Disposal Act (Regulation of Underground Storage Tanks), 42 U.S.C. Section 6991 et. seq ., (viii) lead-based paints, (ix) flammables, (x) explosives, (xi) radioactive materials, (xii) chemicals known to cause cancer or reproductive toxicity. and (xiii) medical wastes or contaminated medical by-products) and Buyer hereby releases Seller from any and all liability for redhibitory or latent defects or vices (b) that Buyer has had full, complete and unlimited access to the property herein conveyed for all tests and inspections which Buyer, in its sole discretion, deemed sufficiently diligent for the protection of his interests; (c) that Buyer does hereby waive the warranty of fitness for intended purposes or guarantee against hidden or latent redhibitory defects or vices, as well as any rights it may have in redhibition for the reduction or return of all or any portion of the purchase price by reason of any such defects or vices under any applicable local, state or federal law, and the jurisprudence thereunder; (d) that this express waiver shall be considered a material and integral part of this sale and consideration thereof; (e) that this waiver has been brought to its attention and explained in detail and that Buver had voluntarily and knowingly consented to this waiver of (i) warranty of fitness, (ii) warranty against redhibitory vices and defects, and (iii) any rights it may have to the reduction or return of any portion of the purchase price for the herein conveyed property, and (f) that by its signature, Buyer expressly acknowledges all such waivers and the exercise of his right to waive warranty pursuant to Chapter 47E of the NCGS or other applicable law. Further, Buyer agrees that the immovable property herein conveyed and all improvements and component parts, all plumbing, electrical systems, mechanical equipment, heating and air-conditioning systems, built-in appliances, and all other items located thereon are conveyed by Seller and accepted by Buyer "AS IS, WHERE IS", without any warranty of any kind whatsoever, and without regard to the presence of apparent or hidden defects and with Buyer's full and complete waiver of any and all rights for the return of all or any part of the purchase price by reason of any such defects. Except as contained in the Contract between the Buyer and Seller and the General Warranty Deed, Buyer acknowledges and declares that neither Seller nor any party whomsoever, acting or purporting to act in any capacity whatsoever on behalf of Seller, has made any direct, indirect, explicit or implicit statement, representation or declaration, whether by written or oral statement or otherwise,

and upon which Buyer has relied, concerning the existence or non-existence or any quality, characteristic or condition of the property herein conveyed.

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EXHIBIT A

1A. This Exhibit is an integral part of the Agreement. In the event of any conflict between the Agreement and this Exhibit A, then the provisions of this Exhibit A shall control. Regardless of who is responsible for the preparation hereof, each party shall be treated equally and neither party shall have the Agreement construed in favor of them as against the other party.

2A. Buyer agrees to relocate the wind shear tower (LLWAS#5) by the end of calendar year 2015. Buyer agrees to have bids completed for said relocation prior to March 2015. This obligation on the part of Buyer shall survive the Closing and Seller shall be entitled to specific performance or damages in the event that this relocation is not completed.

3A. Federal Aviation Regulation (FAR) Part 77 surfaces over the area owned by Seller, beyond the bounds of the Property, shall exist during the period that the new west taxiway serves as the temporary runway. Buyer agrees that upon commissioning the new permanent runway, the FAR Part 77 surfaces which existed while the new west taxiway serves as the temporary runway shall cease to exist over the area owned by the Seller, beyond the Property. In the event that this is not the case, Buyer shall be responsible for any damages to Seller and this provision shall survive the Closing. Seller understands that FAR Part 77 surfaces will exist at a higher elevation over the area owned by the Seller, beyond the bounds of the Property, when the new permanent runway is commissioned.

4A. The general warranty deed shall contain a provision stating that the Property shall be used for aviation purposes only for a period of 15 years from the Closing or until the area owned by the Seller, beyond the Property, has been sold for industrial development, whichever event comes first and that any other use shall entitle Seller to damages in the amount of \$500,000.00, or estimated damages incurred by Seller with regard to its remaining property, whichever is greater. Additionally, said general warranty deed shall contain two points of access from Seller's property to the Buyer's taxiway or runway, at Seller's cost as close in proximity as possible as shown on Exhibit C and Buyer agrees to use its best efforts to support these access points with respect to FAA approval (Fixed Based Operators excluded).

5A. Buyer may, at Buyer's risk, enter Seller's property (only upon the land marked as Construction Easement of 1.41 and .51 acres) on a temporary basis and the Property, all as shown on Exhibit C, at all times subsequent to the Contract Date and may (at Buyer's risk), in fact, start construction on the Property prior to Closing, provided that:

(1) Insurance. Before beginning any activities on Seller's property and the Property, Buyer shall obtain hazard and liability insurance with respect to all of the work to be performed (the "Insurance Policies") and shall furnish certificates of coverage to Seller naming Seller as an additional insured and evidencing such insurance. The Insurance Policies must each have coverages of \$2 million per occurrence and \$5 million in the aggregate.

(2) Indemnification. Buyer shall indemnify, defend and hold harmless Seller to the extent possible under North Carolina law against any and all damage, loss, cost and expense (including attorneys' fees) incurred or suffered by Seller that is caused by or results from the exercise by Buyer of any of its rights granted under this Agreement.

(3) In the event that a Closing does not take place, Buyer agrees to return the Property to its orginial condition or pay Seller an equivalent amount in damages

(4) Additionally, after construction is complete, Buyer agrees to landscape Seller's property in an attractive manner using low, native western North Carolina shrubs and bushes which are not subject to FAA plant restrictions or return Seller's property to its original condition.

(5) All obligations in the part of Buyer herein shall survive the Closing.

6A. Seller understands that the Buyer is a public entity which is subject to the rules and regulations of the Federal Aviation Administration (the "FAA"). Notwithstanding anything else contained herein, in the event the regulations and/or other limitations on use of the Property limit the Buyer on what it can do, per the FAA, then Buyer may terminate this Agreement and, in such event, Seller shall be entitled to keep the Earnest Money deposit.



