

MINUTES

Walker Field Airport Authority Special Board Meeting August 3, 1989

BOARD MEMBERS PRESENT: Chairman Reford Theobold, Directors Bill Love, Elaine Ingvertsen, Pierre Bettelli, Larry Jokerst, John Leane, and Henry Fausson. Also present: Airport Manager Jeff Wendland, Airport Operations Manager Mike Sutherland, Airport Administrator/Clerk Corinne Nystrom.

GUESTS: Rich Livingston, attorney (representing Westrac, Inc.), and Ginger Rice of The Daily Sentinel.

Meeting Called to Order

Chairman Theobold called the meeting to order at 7:05 a.m. A quorum was present. Chairman Theobold confirmed with Clerk Nystrom that the notices of the Special Board Meeting had been posted (in accordance with Statute 41-3-105 (5)(a)), that the agendas had been sent to the airport tenants, and that Westrac, Inc. had been sent a copy of the agenda.

NEW BUSINESS

Review of Off-Airport Rental Car Agreement with Westrac, Inc. to Discuss Termination of Contract Resulting From Westrac, Inc. Default

Manager Wendland provided background relative to the rental car agreement signed with Westrac, Inc. in 1988, the litigation that is in process relative to the agreement and the fact that, contrary to the agreement, Westrac, Inc. ceased making monthly percentage of airport-generated gross revenue payments to the Airport Authority in October, 1988. On June 27, 1989, the Airport Authority provided Westrac, Inc. 30 days written notice of its intent to terminate Westrac's further right to do business on the airport unless the default was remedied. Manager Wendland reviewed the remedies available to the Board relative to the default and recommended that the Airport Authority suspend Westrac, Inc.'s right to operate on the airport until the delinquent fees are paid and then allow them the opportunity to re-commence their operations at the airport.

Discussion followed regarding the procedure which would be followed to prohibit them from operating on the airport, notification of the fixed base operators regarding the suspension, how the security deposit currently held by the Airport Authority in Westrac, Inc.'s behalf could be used to remedy a portion of the default, the fact that Westrac, Inc. has admitted that their bookkeeping does not reflect what revenue has been generated from

the airport, the time frame of the lawsuit in process, and whether or not the lawsuit is unique to Westrac, Inc. or if Thrifty Rent-A-Car is involved in several similar lawsuits nationally.

Rich Livingston, who is serving as legal counsel in behalf of Westrac, Inc., offered the following comments: 1) When the original agreement was signed in 1988, all parties were acting in good faith; 2) Laws relative to the ability to collect a percentage of gross revenues vary from state to state; 3) Westrac, Inc. acknowledges its default in payment of the percentage of airport-generated gross revenues; 4) Westrac, Inc. has agreed to a proposal to pay \$1,000 per month against the arrearage and will continue to make monthly payments of \$1,000 until the default has been remedied. This would be in addition to making payments at the beginning of each month hereafter for the month preceding; 5) Westrac, Inc.'s bookkeeping indicates total revenues earned, and an effort would be made to work with Airport staff to determine which portions of that could be considered airport-generated revenues.

Discussion followed regarding when the first payment will be received and what amount should be required in this payment, what type of security could be required to ensure that the outstanding balance will be paid, and that it is imperative that Westrac, Inc. provide the Airport Authority with accurate records relative to airport-generated revenues.

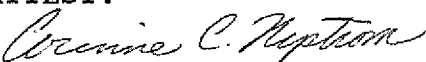
The Board took no action relative to the default. Staff was instructed to accept payments from Westrac, Inc. if they were received. The Board requested that Rich Livingston discuss payment and security options with Westrac, Inc., as presented by the Board so that a final payment proposal could be presented at the next regularly-scheduled Board meeting on August 17, 1989. In the meantime and in conjunction with the previous discussion regarding receipt of the first payment, Director Bettelli stated that he "would like for something to be done in the next few days on their (Westrac's) part to show good faith".

There being no further business to come before the Board, Director Leane made a motion to adjourn the meeting at 7:39 a.m.; seconded by Director Jokerst. Unanimously carried.

ADOPTED AND PASSED this 17th day of August, 1989.


Chairman

ATTEST:



Clerk