

DRAFT

MINUTES

Monday, June 10, 2013
10:00 A.M.

Manistee County Blacker Airport
Conference Room

Members Present: Paul Schulert, Chairperson; Ross Spencer, Vice-Chairperson; Thom Smith; Alan Marshall; Dale Picardat; Brook Shafer; and Mark Bergstrom

Members Absent: None

Others Present: Barry Lind, Airport Manager; George Saylor, Airport Legal Counsel; Russell Pomeroy, Airport Authority Treasurer; Meg LeDuc, Manistee News Advocate; and Rachel Nelson, Airport Authority Secretary

Paul Schulert, Chairperson, called the meeting to order at 10:00 A.M. Roll was taken by the Secretary.

Mr. Lind requested to add the DOT Grant Agreement Addendum, Public Charters Contract Addendum, and the RightSide Design Contract to the agenda under New Business.

There was a motion by Mr. Shafer, supported by Mr. Bergstrom, to approve the meeting agenda with the additions requested by Mr. Lind. Motion carried by unanimous vote.

There was no public comment.

The Chairman confirmed that each member had received a copy and had an opportunity to review the minutes from the regular meeting of the Airport Authority held on Monday, May 13, 2013.

There was a motion by Mr. Marshall, supported by Mr. Shafer, to approve the Airport Authority regular meeting minutes of Monday, May 13, 2013, as presented. Motion carried by unanimous vote.

The Budget Committee has not yet met, but will this month. Mr. Lind and Mr. Pomeroy have started working on the FY 2013/14 budget.

The Promotions Committee did not meet. Mr. Marshall stated that Mr. Spencer did a nice presentation at the Senior Center.

Mr. Lind stated that a tenant in one of the new hangars has requested to make significant improvements to the hangar at his expense. If permission is not granted to make the improvements, he has indicated a desire to build a new personal hangar on airport property. Mr. Lind feels that these situations need to be better addressed in the airport's Rules and Regulations document. It was noted that the Master Plan of the airport needs to be kept in mind, and Mr. Lind stated that there is space allocated for private hangars in the Master Plan. To address these issues, Mr. Schulert formed the Rules & Regulations Committee consisting of Mr. Shafer, Mr. Spencer, and Mr. Picardat, with Mr. Shafer as the Chair of the Committee.

The Authority next reviewed the May 2013 Accounts Payable Report (APPENDIX A). Mr. Pomeroy noted that the Consumers payment is for two months, and the Gabridge Wilson CPAs payment is for the FY 2011/12 audit. The Authority also reviewed the May 2013 Financial Statement (APPENDIX B), which includes a Balance Sheet, a Statement of Revenue and Expenses, and a running account of the Passenger

Facility Charges collected.

There was a motion by Mr. Shafer, supported by Mr. Marshall, to approve the May 2013 Accounts Payable Report and authorize payment of the outstanding invoices totaling \$32,371.36; and to approve the May 2013 Financial Statement.

A roll call vote was taken:

Yeas: 7 (Schulert; Spencer; Smith; Marshall; Picardat; Shafer; Bergstrom)

Nays: 0

Absent: 0

Motion carried.

The Orchard Beach Aviation rent information was also provided (APPENDIX C).

Mr. Lind reported that there were no airport incidents. Mr. Lind did not have the regular report on airfares, but noted that they were comparable to normal. Mr. Lind presented information on airplane passenger numbers for 2013 as well as the previous five years (APPENDIX D). Mr. Lind stated that there was a flight delay due to President Obama being in Chicago. CFM had verbal approval from the FAA to fly into Chicago, but was still ordered to turn around when they were halfway there resulting in the delay.

Mr. Lind stated that he met with a representative for the lighting control panel. He now has the software to monitor and control the lighting system and it should work much better. Mr. Lind also met with the HVAC automation system installer. There are 11 primary heat pumps in the building with the geothermal well and half of them were never properly hooked up to the scheduling mechanism. This has now been corrected and Mr. Lind has been trained on the system. Mr. Lind still feels that the building is using more energy than it should.

Mr. Lind stated that a new Tribal Council has been elected, and he is still waiting to hear back from the Little River Band of Ottawa Indians regarding the trees that need to be cut on casino property.

The aircraft rescue and firefighter training was held on May 17-18, 2013. The required annual training costs \$8,000 to \$10,000 when held on-site. A Manistee Local Revenue Sharing Board Grant was used to cover these costs, and a provider from Duluth, MN, was used. The full scale emergency exercise was much improved overall compared to last year.

The taxiway pavement remarking, which was a 2012 project, has been completed. Bids are due on June 12, 2013, for the SRE building expansion, sand storage building, sand bucket loader, and SRE sweeper. The pavement remarking will be part of a State bidding program. The remainder of the 2013 funds available will be used for the pavement crack sealing.

Mr. Lind stated that Public Charters/CFM continues to be very reliable and that summer demand is picking up. Tickets are on sale through August and there will be service 5 days per week during the summer instead of 6 as originally discussed. Flights will not be available on Saturdays or Wednesdays. 30 seat service will begin on June 25, 2013, and continue through September 3, 2013. CFM and Ultimate Jet are still waiting for DOT approval to have daily service.

Minor updates continue with the new website and a "connecting flight tool" has been added. The facebook and google campaigns continue, as well as the WLDN radio Tigers sponsorship. A new broadcast tv spot will begin later this month, and billboards will be in place July through September. An email blast to past flyers will be sent out this week, and a new brochure is almost ready. The airport will once again be in the 4th of July parade.

Mr. Lind will handle the Coho Bend sign issue, and the Rules & Regulations Committee will look into the fees to companies doing business at the airport.

The Authority next reviewed the Design Service Agreement for 2013 marketing and advertising with RightSide Design (APPENDIX E). After discussion,

There was a motion by Mr. Spencer, supported by Mr. Marshall, to approve the Design Service Agreement with RightSide Design, effective March 1, 2013, through December 31, 2013, and to authorize the Airport Authority Chair to execute the agreement.

A roll call vote was taken:

Yeas: 7 (Picardat; Shafer; Bergstrom; Schulert; Spencer; Smith; Marshall)

Nays: 0

Absent: 0

Motion carried.

The Authority next reviewed Addendum No. 2 to the grant agreement between the DOT and the Airport Authority (APPENDIX F). After discussion,

There was a motion by Mr. Bergstrom, supported by Mr. Smith, to approve Addendum No. 2 to the grant agreement between the U.S. Department of Transportation and the Airport Authority, and to authorize the Airport Authority Chair to execute the addendum.

A roll call vote was taken:

Yeas: 7 (Spencer; Smith; Marshall; Picardat; Shafer; Bergstrom; Schulert)

Nays: 0

Absent: 0

Motion carried.

The Authority next reviewed Addendum No. 3 to the airport lease/service agreement between Public Charters and the Airport Authority (APPENDIX G). After discussion,

There was a motion by Mr. Shafer, supported by Mr. Bergstrom, to approve Addendum No. 3 to the airport lease/service agreement between Public Charters, Inc., and the Airport Authority, and to authorize the Airport Authority Chair to execute the addendum.

A roll call vote was taken:

Yeas: 7 (Schulert; Bergstrom; Shafer; Picardat; Marshall; Smith; Spencer)

Nays: 0

Absent: 0

Motion carried.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 11:35 A.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

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to view Calendar of Events, County Board Agendas and Minutes, Committee Meeting Reports (under Board of Commissioners), Airport Authority Minutes (under More Departments and Services), etc.

MANISTEE COUNTY BLACKER AIRPORT

MAY 2013 ACCOUNTS PAYABLE

CHECK #	VENDOR NAME	AMOUNT
	BARRY LIND	\$ 3,400.00
	CONSUMERS ENERGY	\$ 4,210.15
	A T & T	\$ 48.35
	MICHCON (DTE ENERGY)	\$ 243.01
	GOCKERMAN, WILSON, SAYLOR	\$ 247.25
	NAPA AUTO PARTS	\$ 404.08
	ACE HARDWARE	\$ 231.74
	FASTENAL	\$ -
	DIRECT TV	\$ 45.99
	PIPER MCCREDIE AGENCY	\$ -
	BLARNEY CASTLE	\$ -
	GABRIDGE WILSON CPA's	\$ 1,700.00
	BLUE GLOBES, LLC	\$ -
	MANISTEE TIRE	\$ -
	KMART	\$ -
	PRIMARY AIRPORT SERVICES	\$ -
	ORCHARD BEACH AVIATION	\$ 435.54
	TOTAL	\$ 10,966.11
	ADVERTISING INVOICES	
	MS CREATIVE SERVICES	\$ -
	LAMAR COMPANIES	\$ -
	RIGHTSIDE DESIGN, LLC	\$ -
	WKLA RADIO	\$ 99.00
	CHARTER MEDIA	\$ 1,201.00
	ORCHARD BEACH AVIATION	\$ 374.00
	TOTAL	\$ 1,674.00
	ORCHARD BEACH AVIATION	\$ 19,731.25
	REGULAR HOURS	341 @ 16.50 5,626.50
	MAINTENANCE HOURS	113.5 @ 16.50 1,872.75
	PART 139 LABOR	12,200.00
	INTERNET	32.00
	GRAND TOTAL	\$ 32,371.36

MANISTEE COUNTY BLACKER AIRPORT

MAY 2013 REVENUE & EXPENSES				BUDGET REMAINING		33%
INCOME:	PREVIOUS MONTH	CURRENT MONTH	YEAR-TO DATE	ANNUAL BUDGET	BALANCE \$	%
FEDERAL GRANT - AEAS	\$ 133,072.00	\$ 125,679.00	\$ 824,968.00	\$ 2,009,960.00	\$ 1,184,992.00	59%
HANGER RENTAL	\$ 2,753.14	\$ 2,994.80	\$ 14,922.94	\$ 28,600.00	\$ 13,677.06	48%
LANDING FEES - PUBLIC CHARTERS	\$ 17,594.89	\$ 17,594.89	\$ 140,759.12	\$ 210,000.00	\$ 69,240.88	33%
LANDING FEES - GENERAL AVIATION	\$ 9.00	\$ 36.00	\$ 171.00	\$ 1,250.00	\$ 1,079.00	86%
AUTO RENTAL SPACE	\$ -	\$ -	\$ 2,712.64	\$ 5,000.00	\$ 2,287.36	46%
OFFICE RENT	\$ 970.00	\$ 970.00	\$ 7,685.00	\$ 12,600.00	\$ 4,915.00	39%
COUNTY OF MANISTEE	\$ 9,583.00	\$ 9,583.00	\$ 76,664.00	\$ 115,000.00	\$ 38,336.00	33%
CONTRIBUTIONS-MARKETING	\$ -	\$ -	\$ -	\$ 25,000.00	\$ 25,000.00	100%
PASSENGER FACILITY CHARGES	\$ 2,574.00	\$ -	\$ 4,770.00	\$ 25,000.00	\$ 20,230.00	81%
FUEL SALES	\$ 530.99	\$ 648.28	\$ 5,194.12	\$ 10,000.00	\$ 4,805.88	48%
SIGN LEASE	\$ 2,400.00	\$ 200.00	\$ 2,800.00	\$ 3,800.00	\$ 1,000.00	26%
MISCELLANEOUS	\$ -	\$ -	\$ -	\$ 1,000.00	\$ 1,000.00	100%
TOTAL INCOME	\$ 169,487.02	\$ 157,705.97	\$ 1,080,646.82	\$ 2,447,210.00	\$ 1,366,563.18	56%
EXPENSES:						
AEAS CONTRACT-PUBLIC CHARTER	\$ 133,072.00	\$ 125,679.00	\$ 824,968.00	\$ 2,009,960.00	\$ 1,184,992.00	59%
PERSONNEL - MANAGEMENT	\$ 3,400.00	\$ 3,400.00	\$ 27,200.00	\$ 41,000.00	\$ 13,800.00	34%
PERSONNEL - OP & MAINT	\$ 18,676.25	\$ 19,699.25	\$ 151,295.75	\$ 240,000.00	\$ 88,704.25	37%
DUES & FEES	\$ -	\$ -	\$ 635.00	\$ 800.00	\$ 165.00	21%
SUPPLIES	\$ 246.61	\$ 435.54	\$ 1,374.08	\$ 3,000.00	\$ 1,625.92	54%
UTILITIES	\$ 2,337.84	\$ 4,531.15	\$ 22,677.72	\$ 32,000.00	\$ 9,322.28	29%
FUEL	\$ 1,407.19	\$ -	\$ 8,724.20	\$ 9,000.00	\$ 275.80	3%
REPAIRS & MAINTENANCE	\$ 554.50	\$ 635.82	\$ 6,672.08	\$ 15,000.00	\$ 8,327.92	56%
CONTRACTED SERVICES	\$ 200.55	\$ -	\$ 702.60	\$ 1,700.00	\$ 997.40	59%
LEGAL	\$ 506.00	\$ 247.25	\$ 5,451.00	\$ 4,000.00	\$ (1,451.00)	-36%
AUDIT	\$ -	\$ 1,700.00	\$ 1,700.00	\$ 2,000.00	\$ 300.00	15%
ADVERTISING	\$ 9,976.50	\$ 1,674.00	\$ 33,222.56	\$ 34,000.00	\$ 777.44	0%
TELEPHONE	\$ 58.95	\$ 48.35	\$ 460.58	\$ 300.00	\$ (160.58)	-54%
INSURANCE	\$ -	\$ -	\$ 20,799.87	\$ 21,000.00	\$ 200.13	1%
TRAINING (FIRE FIGHTER)	\$ -	\$ -	\$ -	\$ -	\$ -	0%
EQUIPMENT	\$ -	\$ -	\$ -	\$ 4,450.00	\$ 4,450.00	0%
BOOKKEEPING	\$ -	\$ -	\$ -	\$ 3,000.00	\$ 3,000.00	100%
PFC EXPENSES	\$ -	\$ -	\$ 4,363.00	\$ 25,000.00	\$ 20,637.00	100%
MISCELLANEOUS	\$ -	\$ -	\$ 732.69	\$ 1,000.00	\$ 267.31	27%
	\$ 170,436.39	\$ 158,050.36	\$ 1,110,979.13	\$ 2,447,210.00	\$ 1,336,230.87	55%
EXCESS REVENUE OVER/(UNDER) EXPENDITURES	\$ (344.39)		\$ (30,332.31)			
BALANCE ON HAND - AIRPORT FUND						
BEGINNING BALANCE 05/01/2013	\$ 143,029.73					
MAY RECEIPTS	\$ 139,966.79					
APRIL DISBURSEMENTS	\$ (170,436.39)					
	\$ 112,560.13					

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MANISTEE COUNTY BLACKER AIRPORT

MAY 2013 2012 BALANCE SHEET

ASSETS	5/31/2013	4/30/2013
CASH	\$ 112,560.13	\$ 143,029.73
CASH - PFC ACCOUNT	\$ 80,987.50	\$ 80,987.50
ACCOUNTS RECEIVABLE		
PUBLIC CHARTERS	\$ 17,594.89	\$ -
AUTO RENTAL	\$ -	\$ -
MISC.	\$ 1,224.28	\$ 1,079.99
TOTAL ASSETS	\$ 212,366.80	\$ 225,097.22

LIABILITIES	5/31/2013	4/30/2013
ACCOUNTS PAYABLE - TRADE	\$ 158,050.36	\$ 170,436.39
ACCOUNTS PAYABLE - COUNTY	\$ -	\$ -
PREPAID HANGER RENT	\$ -	\$ -
TOTAL LIABILITIES	\$ 158,050.36	\$ 170,436.39

FUND BALANCE	\$ 54,316.44	\$ 54,660.83
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TOTAL LIABILITIES AND FUND BALANCE	\$ 212,366.80	\$ 225,097.22
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PASSENGER FACILITY CHARGES COLLECTED THROUGH 05/31/2013	\$ 93,109.82
STATE OF MICHIGAN (PARKING LOT & T-HANGERS)	\$ (7,625.00)
CONSUMERS ENERGY	\$ (313.50)
STATE OF MICHIGAN (PARKING LOT & T-HANGERS)	\$ 313.50
TRANSFER OF PUBLIC IMPROVEMENT FUNDS	\$ 683.39
MANISTEE COUNTY ROAD COMMISSION	\$ (817.71)
STATE OF MICHIGAN (RAMP AREAS)	\$ (4,363.00)
PFC FUNDS AVAILABLE	\$ 80,987.50

PUBLIC IMPROVEMENT FUND - CASH AVAILABLE AS OF 05/31/2013 \$ -

AUTO RENTAL REVENUE BY COMPANY THROUGH 05/31/2013

ENTERPRISE CAR RENTALS	\$ -
MOWERY LEASING & RENTAL	\$ 2,712.64
GWK AGENCY	\$ -
TOTAL	\$ 2,712.64

ORCHARD BEACH AVIATION**May 2013****RENT**

OFFICE \$340.00

HANGER \$200.00

FUEL \$648.28

DIESEL FUEL \$0.00

LANDING FEES

TWIN \$0.00 (0 @ \$9)

JET \$36.00 (2 @ \$18)

TOTAL \$1224.28

100 2009.9 Gal

JET 2418.2 Gal

TOTAL 4428.1 Gal

General 2261.4 Gal @ .15 = 339.21

PublicCharters 939.0 Gal @ .15 = 140.85

PublicCharters 0.0 Gal @ .08 = 0.00

PublicCharters 0.0 Gal @ .02 = 0.00

Orchard Beach 1000.0 Gal @ .15 = 150.00

Orchard Beach 227.7 Gal @ .08 = 18.22

DIESEL 0.0 Gal

Manistee County Blacker Airport

Enplaned/Deplaned

	2008		2009		2010		2011		2012		2013	
	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total
Jan	MW 234/169	403	GL 138/106	244	GL 212/145	357	GL 201/169	370	F9 523/366	889	134/126	260
Feb	215/200	413	112/93	205	196/150	346	202/194	396	462/431	893	128/120	248
Mar	213/200	413	149/139	288	216/231	447	225/215	440	112/176	288	162/173	335
Apr	18/38	56	119/140	259	272/255	527	47/171 F9 486/389	1193	0/0	0	158/158	316
May	0/0	0	184/180	364	263/302	565	1454/1525	2979	P1 71/58	129	189/189	378
Jun	GL 94/113	207	166/213	379	311/366	677	1206/1342	2548	234/250	484		
Jul	278/301	579	388/439	827	521/551	1072	1595/1568	3163	465/467	932		
Aug	300/293	593	429/359	788	482/395	877	1833/1567	3400	497/500	997		
Sep	219/190	409	285/293	578	240/233	473	1332/1234	2566	362/297	659		
Oct	173/174	347	282/275	557	270/246	516	1024/1004	2028	150/149	299		
Nov	168/166	334	257/269	526	236/242	478	722/715	1437	36/33	69		
Dec	159/122	281	228/279	507	194/235	429	674/798	1472	131/138	269		
Total		4035		5522		6764		21992		5908		1537

On-time Performance

	2008		2009		2010		2011		2012		2013	
	Cancel/Delay	On-time										
Jan			13%/25%	62%	23%/22%	55%	15%/38%	48%	12%/8%	80%	0%/15%	85%
Feb			18%/16%	66%	13%/32%	55%	15%/28%	58%	6%/11%	83%	6%/16%	78%
Mar			8%/11%	79%	11%/19%	70%	21%/19%	60%	14%/8%	78%	0%/0%	100%
Apr			10%/16%	74%	13%/17%	70%	***	***	***	***	0%/3%	97%
May			2%/10%	88%	12%/10%	78%	3%/25%	72%	0%/10%	90%	0%/6%	94%
Jun			7%/18%	75%	6%/26%	68%	6%/20%	74%	0%/6%	94%		
Jul			4%/16%	80%	5%/19%	76%	0%/37%	63%	0%/7%	93%		
Aug			2%/12%	86%	4%/5%	91%	0%/36%	64%	0%/8%	92%		
Sep			0%/9%	91%	18%/16%	66%	0%/23%	77%	0%/5%	95%		
Oct	11%/31%	57%	10%/8%	81%	15%/13%	72%	1%/5%	94%	0%/22%	78%		
Nov	13%/32%	55%	3%/10%	87%	16%/16%	68%	2%/11%	87%	0%/5%	95%		
Dec	36%/44%	20%	25%/39%	36%	32%/25%	43%	2%/15%	83%	0%/11%	89%		

APPENDIX D

RIGHTside design

www.rightsidedesignstudio.com | 231.510.4929 | Box 791, Manistee, MI 49660

DESIGN SERVICE AGREEMENT

2013 MARKETING/ADVERTISING

Prepared For:
Manistee Blacker Airport Authority
 2323 Airport Road
 Manistee, MI 49660

Contact: Barry Lind
 p: 231.723.4351
 e: manisteeairport@gmail.com
 w: www.FlyManistee.com | www.ManisteeAirport.com

Prepared By:
 Brandon Jensen, Owner/designer
 361 River Street, Suite 206
 PO Box 791
 Manistee, MI. 49660

p: 231.510.4929
 e: bjensen@rightsidedesignstudio.com
 w: www.rightsidedesignstudio.com

Contract #: 1317-02**Agreement Date: 3-8-13**

Between: **Manistee Blacker Airport Authority, (herein noted as Client) and**
RIGHTside design, LLC (herein noted as RSD)

OVERVIEW OF SERVICES PROVIDED TO CLIENT |**OVERSIGHT & IMPLEMENTATION OF 2013 MARKETING/ADVERTISING BUDGET:**

RSD will work with Manistee Blacker Airport Authority on strategic planning, brand identity and a comprehensive marketing/advertising plan to promote and advertise the airline servicing Manistee. RSD will implement a combination of marketing strategies including but not limited to:

- Target market advertising & demographic research
- Website development - creation of a combined website presence for both FlyManistee.com and ManisteeAirport.com
- Internet advertising - pay per click and other forms of internet based advertising
- Social Networking
- Television - broadcast and cable awareness campaigns
- Radio
- Outdoor Advertising
- Promotion/Community based marketing
- Advertising/Marketing positioning

MONTHLY MAINTENANCE:

The following services will be included in a \$500/monthly retainer:

- Weekly on-site marketing meeting at the airport by minimum one RSD representative at the scheduled time.

CONTRACT 1317-02

Client: Manistee County Blacker Airport

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- Monthly phone and email correspondence with the Airport point of contact.
- Monthly overview report to the board of directors of the Manistee Blacker Airport Authority Authority - documented report, RSD representative may be asked to attend meeting at the hourly rate made part of the contractors agreement.
- Grant reporting/administration as required by the awarding agency.

Standard hourly fee schedule is as follows: These fees will be used when providing the client with the above outlined **OVERSIGHT & IMPLEMENTATION OF 2013 MARKETING/ADVERTISING BUDGET:**

Social media programming/email marketing campaign oversight:	\$40/hr.
Website Updating/Programming	\$50/hr.
Graphic Design/Brand Identity deliverables	\$60/hr.
Consulting/Strategic Planning:	\$70/hr.

SERVICE FEES/EXPENSES |

CONTRACT NOT TO EXCEED (NTE): \$75,000 total professional service fees/media*

**Monthly maintenance retainer of \$500 is included as part of this professional service fee/media expense*

TERMS |

The term of this contract will commence on March 1, 2013 and expire December 31, 2013. Either party may terminate this agreement upon 30 days written notice. If the agreement is terminated, the Client will be responsible to pay RSD for expenses incurred up to the termination date.

After the expiration of the initial agreement terms noted above, this Agreement shall automatically renew for an additional one (1) month term, commencing on the anniversary of the original commencement of this Agreement, unless one party notifies the other party, in writing, if its intent not to renew this Agreement.

OWNERSHIP OF ARTOWRK |

The material transferred can be used only for the purposes stated below. All other use(s) and modifications(s) is (are) prohibited. All rights not transferred remain the property of RSD.

All materials produced for MANISTEE BLACKER AIRPORT AUTHORITY is available for unrestricted use in the contracted/final delivered state

BILLING |

The Client will be responsible for all pre-approved media expenses. All creative, consulting services, and production services/materials will be outlined to the client during the monthly reporting period. All RSD invoices are due on receipt.

CONTRACT 1317-02

Client: Manistee County Blacker Airport

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PROJECT ACCEPTANCE PROCEDURES |

RSD shall designate Brandon Jensen, Owner and the Client shall designate Barry Lind, Airport Manager as the only designated persons who will send and accept all deliverables and receive and make all communications between RSD and the Client. Neither party shall have any obligation to consider for approval or respond to materials submitted other than through the designated persons listed above. Each party has the right to change its designated person if mutually agreed upon.

ACCEPTANCE OF TERMS |

The signature of both parties shall evidence acceptance of these terms and all associated content contained in this agreement:

Manistee Blacker Airport Authority:

Date:

Paul Schulert, Board Chairperson

RIGHTside design, LLC

Date:

Brandon Jensen, Owner

ADDENDUM NO. 2

This addendum modifies the Grant Agreement between the U.S. Department of Transportation and the Manistee Blacker Airport Authority, in association with the Community of Manistee/Ludington, Michigan, under the Alternative Essential Air Service Program (Agreement), which was entered into by the Parties on May 3, 2012.

The following modifications are agreed to by the Parties and hereby made to the Agreement, pursuant to Section 3, paragraph (g) of the Agreement:

Replace Section 4, paragraph (c) with the following:

- c. Completed Flight Segments:
- i. During the first five months of the first year of service, DOT will reimburse the Grantee \$77.82 per passenger seat flown for up to 24,971 passenger seats [(\$2,143,294-\$200,000)/24,971].
 - ii. During the remainder of the first year of service, DOT will reimburse the Grantee \$194.55 per passenger seats flown with a maximum of 1,140 seats per month (\$221,787 per month).
 - iii. During the entire first year of service, no more than \$1,943,294 shall be reimbursed to the Grantee for passenger seats flown.
 - iv. During the second year of service, DOT will pay the Grantee \$142.78 per passenger seat flown for up to 14,398 passenger seats, with a maximum of 1,860 seats per month (\$266,687 per month). (\$2,055,781/14,398).

The Parties agree and understand that the U.S. Department of Transportation will not provide any additional reimbursements for start-up costs incurred for starting the service except for any prorated funds returned to the Department pursuant to Section 4, paragraph (b)(ii).

Dated: _____, 2013

Manistee Blacker Airport Authority

By: _____

Paul D. Schulert

Chairman

Manistee Blacker Airport Authority

Dated: 6/5, 2013

U.S. Department of Transportation

By: Robert A. Letteney

Robert A. Letteney

Deputy Assistant Secretary

for Aviation and International Affairs

ADDENDUM NO. 3

WHEREAS, the Manistee County Blacker Airport Authority, a body corporate ("Airport"), organized under the provisions of Act 206, Public Acts of 1957, of the State of Michigan, of 2323 Airport Road, Manistee, MI 49660 and Public Charters, Inc., a Pennsylvania corporation ("Indirect Air Carrier") of 201 Hangar Road, Avoca, PA 18641 (collectively "parties"), have entered into an Airport Lease/Service Agreement relating to the Indirect Air Carrier providing certain airline services at the Manistee County Blacker Airport and the leasing of certain Airport property to conduct its operations and Addendums No. 1 and No. 2 to Airport Lease/Service Agreement;

NOW, THEREFORE, IT IS AGREED that the following modifications are agreed to by the Parties and hereby made to the Agreement:

Replace Section 3, paragraph (e)(ii) with the following:

- ii. Completed Flight Segments:
 - a. During the first five months of the first year of service, Indirect Air Carrier shall be paid by Airport \$77.82 per actual passenger seats flown for up to 24,971 passenger seats [(\$2,143,294-\$200,000)/24,971].
 - b. During the remainder of the first year of service, Indirect Air Carrier shall be paid by Airport \$194.55 per actual passenger seats flown with a maximum of 1,140 seats per month (\$221,787 per month).
 - c. During the entire first year of service, no more than \$1,943,294 shall be paid to the Indirect Air Carrier for passenger seats flown.
 - d. During the second year of service, Indirect Air Carrier shall be paid by Airport \$142.78 per actual passenger seat flown for up to 14,398 passenger seats, with a maximum of 1,860 seats per month (\$266,687 per month). (\$2,055,781/14.398).

Replace Section 29 with the following:

29. **INCORPORATION OF GRANT AGREEMENT:** Airport has entered into a Grant Agreement with the United States Department of Transportation under the Alternative Essential Air Service Program, which grant will provide funding for the payments provided in this Agreement. The terms of the Grant Agreement, a copy of which was attached as Exhibit "A" to the parties original Agreement, are incorporated into this Agreement by reference, and Addendums No. 1 and No. 2 to the Grant Agreement, a copy of which are attached hereto as Exhibits "1" and "2", is also incorporated into this Agreement. If this Addendum No. 3 conflicts in any manner with the Grant Agreement or its Addendums, the language, terms and conditions of the Grant Agreement and Addendums No. 1 and No. 2 to the Grant Agreement shall control.

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In all other respects the parties Airport Lease/Service Agreement and Addendums No. 1 and No. 2 to Airport Lease/Service Agreement are ratified and confirmed.

Dated: _____, 201_.

Manistee County Blacker Airport Authority

By _____

Its _____

Dated: _____, 201_.

Public Charters, Inc.

By _____

Its _____