

DRAFT

MINUTES

Monday, November 18, 2013
10:00 A.M.

Manistee County Blacker Airport
Conference Room

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

Members Absent: Dale Picardat

Others Present: Barry Lind, Airport Manager; George Saylor, Airport Legal Counsel; Meg LeDuc, Manistee News Advocate (left at 11:15 A.M.); 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.

There was a motion by Mr. Spencer, supported by Mr. Smith, to approve the meeting agenda as presented. 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, October 14, 2013.

There was a motion by Mr. Spencer, supported by Mr. Marshall, to approve the Airport Authority regular meeting minutes of Monday, October 14, 2013, as presented. Motion carried by unanimous vote.

The Budget Committee provided their minutes from October 18, 2013, which now include cost estimates for the priority list items (APPENDIX A). It was noted that the Capital Improvement Fund, which has the PFC (Passenger Facility Charge) income, can be used to fund these projects. If \$50,000 is kept as a reserve, approximately \$30,000 is currently available.

The Promotion Committee did not meet.

The Rules and Regulations Committee did not meet, however, Mr. Shafer had provided the updated Section 300 of the Rules and Regulations document for review and discussion at next month's meeting (APPENDIX B).

The Executive Committee did not meet.

Due to Mr. Pomeroy's absence, the October 2013 Accounts Payable Report and October 2013 Financial Statement were not available for review.

Mr. Wilson will be at the next meeting to make a presentation on the FY 2011/12 audit.

Mr. Lind reported that there were no airport incidents. One quote has been received for approximately \$38,000 for the hangar door that was damaged by a flight student. Mr. Lind is working on getting a second quote, which is required for the insurance. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City, Grand Rapids, and Muskegon for travel in December 2013 (APPENDIX C). Mr. Lind presented information on airplane passenger numbers for 2013 as well as the previous five years (APPENDIX D).

Mr. Lind stated that the annual MAP meeting with the FAA to review the upcoming FAA funded capital improvement projects will be held on November 19, 2013. Mr. Lind also stated that he, Mr. Schulert, and Mr. Spencer met with Explorer Solutions, which is a company that focuses on business development for airports. They have worked successfully with other rural airports in Michigan. There is a significant cost, but they focus on economic development opportunities in the region.

The SRE building expansion is ready to begin in the spring of 2014. The delivery of the sweeper will be timed with the building expansion. The tractor/loader should arrive in late winter, and the sand storage area will be completed in the spring. The crack sealing and pavement marking have been completed, but with some issues. These were done through a statewide contract, so there is no oversight. There has been a lot of pressure on the State to change the statewide contract process.

Overall, air service continues to be very reliable, with 3 delayed flights due to an electrical issue with the aircraft. Demand for November is lighter than October. The schedule was extended from January to May, but still with only 4 days per week. CFM is still waiting for US-DOT approval for daily service. The delay is causing a significant impact since it's difficult to meet the demand with a 19 seat aircraft and only 4 flights per week. Two months ago, the DOT stated that the "show cause order" was drafted and awaiting legal approval in a few days. The bi-weekly updates continue to state the same.

Mr. Lind presented four charts (APPENDIX E). The yield is the average price per seat.

Minor updates continue with the website. The Facebook and Google campaigns continue, as well as the Synergy (local radio) sports sponsorship. A TV ad for winter started running on November 1, 2013. The ticket counter has a new paint scheme. There continues to be work on winter packages with Caberfae and Crystal Mountain, as well as plans for 2014.

Mr. Lind stated that there was no update on energy use at the airport, except that usage has decreased 50% from a year ago. No progress has been made regarding the Coho Bend sign.

Mr. Lind explained that Prein & Newhof is not getting paid for helping with the required tree removal on tribal land near the airport, but they have been helping anyway. Prein & Newhof obtained estimates and met with the Tribal Council. Tribal Council was ok with removing the trees as long as they were able to keep the wood and there were replacement trees (not in the same location). Mr. Lind has estimated that it will cost approximately \$3,000 to cut the trees and \$7,000 to replace them. Tribal Council will draft an agreement for the Airport Authority to review.

The Authority next reviewed the agreement between the Airport Authority and the contractor (Johnson Diversified Services, Inc.) for the SRE building expansion, and the recommendations and bid tabulations regarding the SRE loader and sweeper (APPENDIX F).

There was a motion by Mr. Bergstrom, supported by Mr. Smith, to accept the bid of \$411,383 from Johnson Diversified Services, Inc., and enter into a contract for construction of the Snow Removal Equipment (SRE) building expansion, issue the Notice of Award, and authorize the Airport Authority Chair to execute the contract and notice.

A roll call vote was taken:

Yeas: 6 (Schulert; Spencer; Bergstrom; Marshall; Shafer; Smith)

Nays: 0

Absent: 1 (Picardat)

Motion carried.

There was a motion by Mr. Bergstrom, supported by Mr. Smith, to approve the Notice of Award/Notice to Proceed for the purchase of the SRE Loader at a cost of \$124,790 from Grandville Tractor & Equipment Company, and authorize the Airport Authority Chair to execute the notice.

A roll call vote was taken:

Yeas: 6 (Marshall; Bergstrom; Spencer; Schulert; Shafer; Smith)

Nays: 0

Absent: 1 (Picardat)

Motion carried.

There was a motion by Mr. Shafer, supported by Mr. Smith, to approve the Notice of Award/Notice to Proceed for the purchase of the SRE Sweeper at a cost of \$161,502 from M-B Companies, Inc., and authorize the Airport Authority Chair to execute the notice.

A roll call vote was taken:

Yeas: 5 (Smith; Shafer; Marshall; Bergstrom; Schulert)

Nays: 1 (Spencer)

Absent: 1 (Picardat)

Motion carried.

A few changes need to be made to the RightSide Design contract, and it will be presented for approval at next month's meeting.

Mr. Shafer stated that he spoke with Dial-a-Ride regarding where they can go. It was explained that they can leave Manistee County for a special dispensation, for instance, when medical service is not available in Manistee County, or to take residents to West Shore Community College (WSCC) since residents pay taxes to WSCC. Mr. Shafer will continue to follow-up regarding this.

Mr. Spencer stated that he was contacted by a tenant in one of the new hangars and there are holes in the hangar that leak water on the aircraft, and the winch for the door drips lubricant on the aircraft.

With there being no further business to come before the Authority, the meeting was adjourned at approximately 11:40 A.M.

Respectfully submitted,

Rachel Nelson, Airport Authority Secretary

Visit: www.manisteecountymi.gov

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.

[rn h:\airport authority\minutes\airport authority 111813]

APPENDIX A

BUDGET COMMITTEE MEETING

When: 0900 Friday 18 October 2013

Where: Airport Conference Room

Attendance: Brook Shafer, Mark Bergstrom, Barry Lind, Dale Picardat

Subject: Develop a MBL Five Year Plan for non FAA funded items

Assumptions:

1. Annual a Capital Improvement Fund (CIF)- \$50,000 (current balance-\$81,000)
2. Estimated PFC revenue to the CIF-+ \$15,000
3. Direct CIF funds in excess of the fund balance level to upgrade/maintain MBL assets, not covered by FAA funding.

Priority List of items:

1. Box Hanger Door (10K to 30K)
2. 10 year fuel farm tank cleaning (5K this year)
3. Paint old T-Hangers (20K)
4. Upgrade electrical in old T-Hangers (10K)
5. Upgrade floors in old T-Hangers (15K)
6. Upgrade old T-Hanger doors (25K)

Other Un-prioritized Items:

1. Upgrades to Box Hanger
 - A. Windows (3K)
 - B. Paint (4K)
 - C. Electrical (1K)
2. Fuel Farm Updates/Upgrade
 - A. ATA 103 Requirements (20K)
 - B. New/Overhaul Brush Hog (30K)
 - C. Terminal HVAC Improvements (2K)

SECTION 300.1 REQUIREMENTS FOR BUSINESS ACTIVITIES

- A. No person shall provide any services to the public on the airport without having:
1. A lease (if required) from the Airport Authority authorizing that person to conduct such activity on the airport and be current in the payment of the prescribed annual fee; and/or
 2. An Operating Agreement or a permit issued by the Airport Director, authorizing that person to provide the aeronautical service at the airport. (The requirements of this section do not apply to any FAA designated examiner, person offering private aviation related services or flight instructor).
 3. Persons offering public related services must comply with the Minimum Standards.

No person or business entity shall provide any services to the public on the airport without having:

- 1. A lease (if required) from the Airport Authority authorizing that person or business entity to conduct such activity on the airport and be current in the payment of the prescribed annual fee; and/or*
- 2 An Operating Agreement or a permit issued by the Airport Director, authorizing that person or business entity to provide services, consumer goods or aeronautical service at the airport. (The requirements of this section do not apply to any FAA designated examiner, person offering private aviation related services or flight instructor).*
- 3. Persons offering public related services must comply with the Minimum Standards set by the Airport Authority.*
- 4. Unless otherwise stated in the Operating Agreement or specified in the permit, fees will be determined by chart of fees and charges maintained by Airport Director as approved by the Airport Authority.*

B. Operating agreement holders offering services shall furnish such services to the public at the airport in the following manner:

1. Business must be conducted in a fair, reasonable, and non-discriminatory basis to all users thereof, and

2. Charges for each unit or service must be fair, reasonable and not discriminatory provided that reasonable and nondiscriminatory discounts, rebates or other similar types of price reduction may be made to volume purchasers.

SECTION 300.2 CAR RENTAL COMPANIES/TAXIS/SHUTTLES

Car rental companies, taxis and shuttles must be issued a license by the Airport in order to operate on Airport property. Fees and terms of Licenses issued under this Section shall be set by the Airport Authority. *The chart of fees and charges will be maintained by the Airport Director (section 300.1)*

December Travel as of 11/17/13**Best Fares**

	MBL	TVC	GRR	MKG
Atlanta (ATL)	400 WN	408 UA	346 DL	396 UA
Boston (BOS)	385 WN	398 AA	300 DL	411 UA
Chicago (MDW or ORD)	120 P1	360 UA	332 AA	116 UA
Dallas (DFW)	445 WN	404 AA	273 DL	438 UA
Denver (DEN)	387 WN	602 UA	382 UA	382 UA
Houston (HOU)	438 WN	411 AA	439 AA	407 UA
Kansas City (MCI)	366 WN	432 AA	262 DL	377 UA
Las Vegas (LAS)	508 WN	574 AA	394 DL	461 UA
Los Angeles (LAX)	495 WN	509 UA	401 DL	512 UA
Minneapolis (MSP)	334 DL	422 AA	380 DL	325 UA
New York Area (NYC)	391 WN	386 AA	313 DL	425 UA
Orlando (MCO)	437 WN	413 AA	321 DL	490 UA
Philadelphia (PHL)	488 WN	429 AA	374 UA	456 UA
Phoenix (PHX)	519 WN	546 UA	406 DL	439 UA
Portland (PDX)	637 WN	620 UA	499 DL	564 UA
San Diego (SAN)	605 WN	538 AA	471 AA	510 UA
San Francisco (SFO)	551 WN	513 AA	444 DL	543 UA
Seattle (SEA)	681 WN	509 DL	401 DL	559 UA
St Louis (STL)	355 WN	271 UA	182 DL	302 UA
Washington DC Area (WAS)	436 WN	412 DL	270 DL	382 UA

Average Fare	\$448.90	\$457.85	\$359.50	\$424.75
Change from last month	\$68.95	\$122.25	\$12.85	\$3.35
Change from two months ago	-\$19.15	\$31.30	-\$23.40	-\$23.80
Fares Pulled 11/17/13 for travel 12/19/13 - 12/26/13				

Best Fares +7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	400 WN	448 UA	400 DL	424 UA
Boston (BOS)	385 WN	438 AA	354 DL	439 UA
Chicago (MDW or ORD)	120 P1	400 UA	386 AA	144 UA
Dallas (DFW)	445 WN	444 AA	327 DL	466 UA
Denver (DEN)	387 WN	642 UA	436 UA	410 UA
Houston (HOU)	438 WN	451 AA	493 AA	435 UA
Kansas City (MCI)	366 WN	472 AA	316 DL	405 UA
Las Vegas (LAS)	508 WN	614 AA	448 DL	489 UA
Los Angeles (LAX)	495 WN	549 UA	455 DL	540 UA
Minneapolis (MSP)	334 DL	462 AA	434 DL	353 UA
New York Area (NYC)	391 WN	426 AA	367 DL	453 UA
Orlando (MCO)	437 WN	453 AA	375 DL	518 UA
Philadelphia (PHL)	488 WN	469 AA	428 UA	484 UA
Phoenix (PHX)	519 WN	586 UA	460 DL	467 UA
Portland (PDX)	637 WN	660 UA	553 DL	592 UA
San Diego (SAN)	605 WN	578 AA	525 AA	538 UA
San Francisco (SFO)	551 WN	553 AA	498 DL	571 UA
Seattle (SEA)	681 WN	549 DL	455 DL	587 UA
St Louis (STL)	355 WN	311 UA	236 DL	330 UA
Washington DC Area (WAS)	436 WN	452 DL	324 DL	410 UA

Average Fare	\$448.90	\$497.85	\$413.50	\$452.75
Change from last month	\$68.95	\$122.25	\$12.85	\$3.35
Change from two months ago	-\$19.15	\$31.30	-\$23.40	-\$23.80

Parking Fees for one week are \$0 at Manistee, \$40 at Traverse City, \$54 at Grand Rapids, \$28 at Muskegon

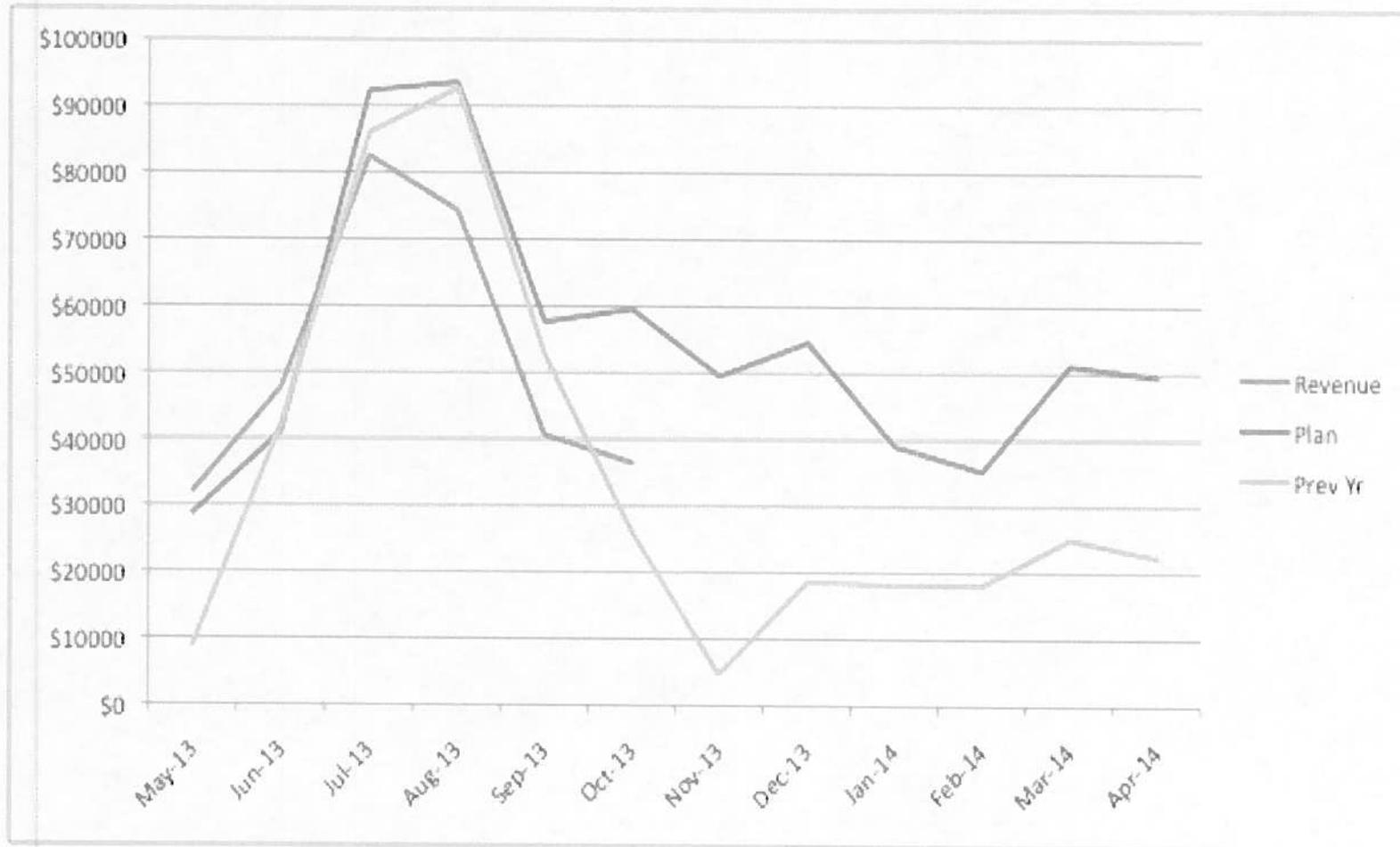
Manistee County Blacker Airport

		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	239/288	527
Jul		278/301	579	388/439	827	521/551	1072	1595/1568	3163	465/467	932	421/409	830
Aug		300/293	593	429/359	788	482/395	877	1833/1567	3400	497/500	997	391/413	804
Sep		219/190	409	285/293	578	240/233	473	1332/1234	2566	362/297	659	248/237	485
Oct		173/174	347	282/275	557	270/246	516	1024/1004	2028	150/149	299	229/215	444
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		4627

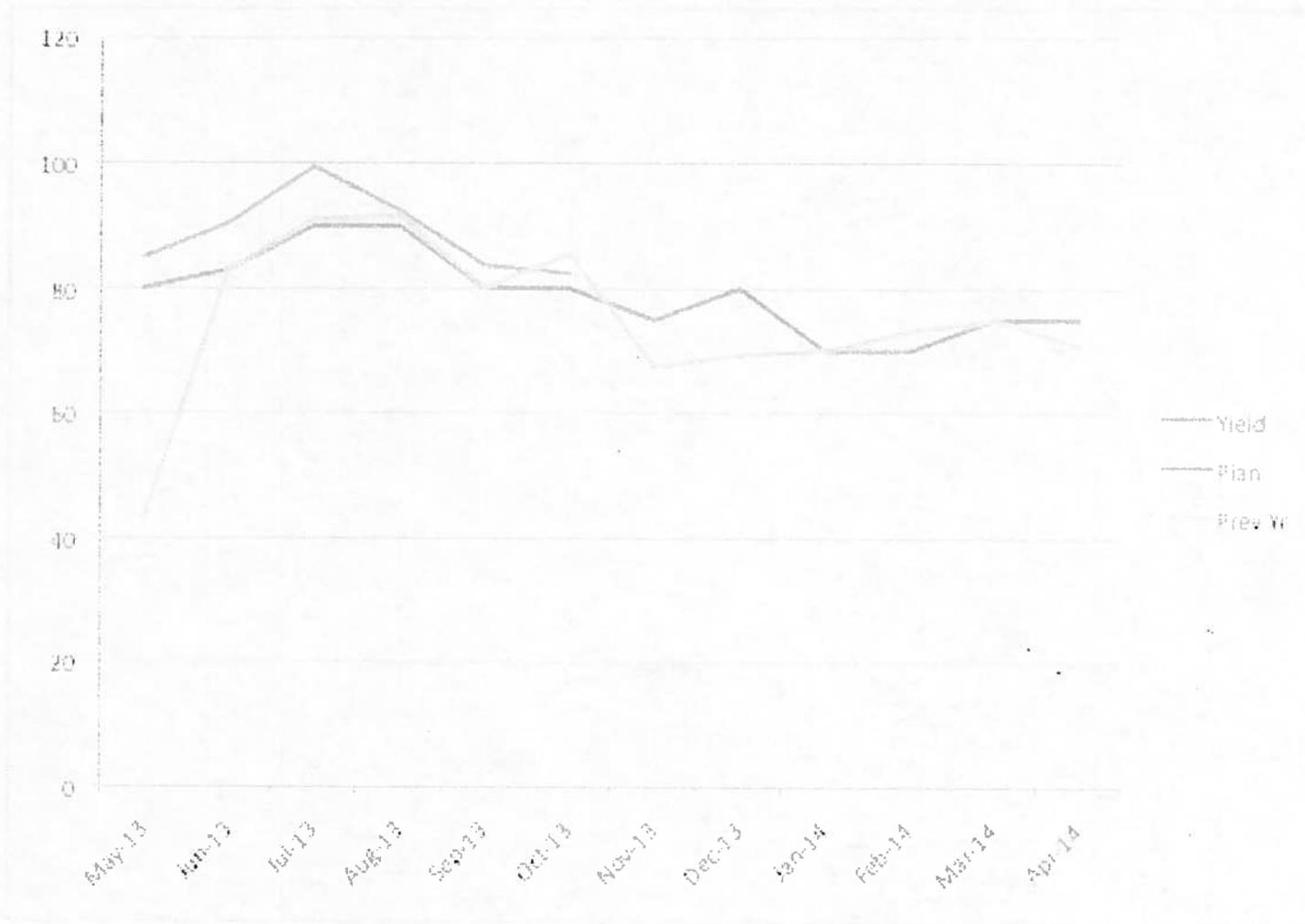
		Ontime Performance											
		2008		2009		2010		2011		2012		2013	
		Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime
Jan				13%/25%	62%	23%/22%	55%	15%/38%	48%	12%/8%	80%	0%/15%	85%
Feb				18%/16%	66%	13%/32%	55%	15%/28%	58%	6%/11%	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%	0%/3%	97%
Jul				4%/16%	80%	5%/19%	76%	0%/37%	63%	0%/7%	93%	0%/19%	81%
Aug				2%/12%	86%	4%/5%	91%	0%/36%	64%	0%/8%	92%	2%/16%	82%
Sep				0%/9%	91%	18%/16%	66%	0%/23%	77%	0%/5%	95%	0%/0%	100%
Oct		11%/31%	57%	10%/8%	81%	15%/13%	72%	1%/5%	94%	0%/22%	78%	0%/9%	91%
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

Revenue vs Plan 11/18/13

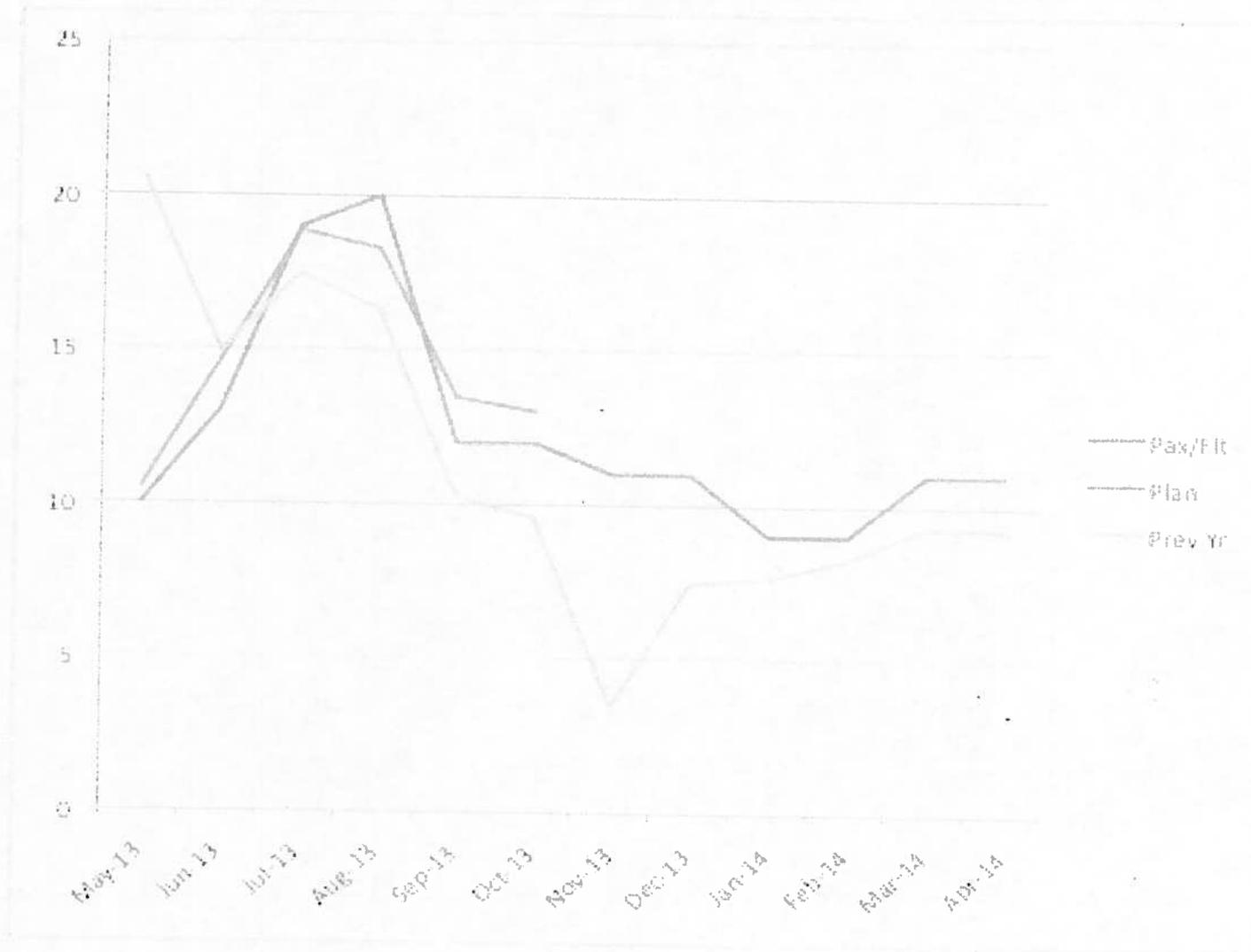


Yield vs Plan 11/18/13

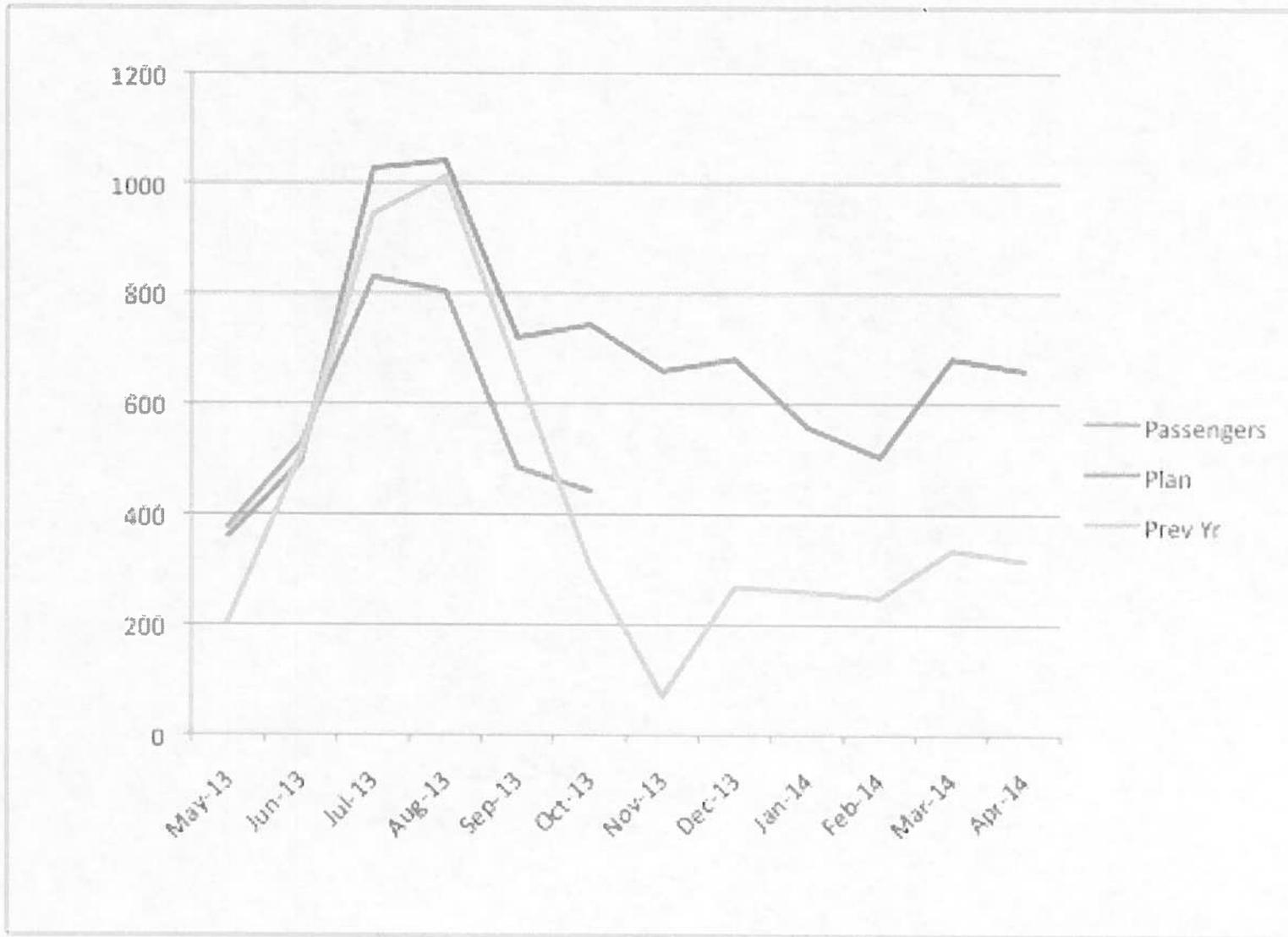


Passengers Per Flight vs Plan

11/18/13



Passengers vs Plan 11/18/13



APPENDIX I =

**SUGGESTED FORM OF AGREEMENT
BETWEEN OWNER AND CONTRACTOR
FOR CONSTRUCTION CONTRACT (STIPULATED PRICE)**

THIS AGREEMENT is by and between the Manistee County Blacker Airport Authority (Owner) and Johnson Diversified Services, Inc., 312 North Street, Mason, MI 48854 (Contractor).

Owner and Contractor hereby agree as follows:

ARTICLE 1 – WORK

1.01 Contractor shall complete all Work as specified or indicated in the Contract Documents. The Work is generally described as follows:

Snow Removal Equipment (SRE) Building Expansion & Sand Storage Construction, Manistee County Blacker Airport, Manistee, Michigan. Project consists of construction of three new equipment bays adjacent and attached to the existing SRE building, construction of interior wall in the existing SRE building, construction of block sand containment facility, and various incidental demolition and construction items to complete this work.

ARTICLE 2 – THE PROJECT

2.01 The Project for which the Work under the Contract Documents may be the whole or only a part is generally described as follows:

Snow Removal Equipment (SRE) Building Expansion & Sand Storage Construction
Manistee County Blacker Airport
Manistee, Michigan

ARTICLE 3 – ARCHITECT/ENGINEER

3.01 The Project has been designed by:

Prein & Newhof – Project Management, Structural & Site Civil Engineer
3355 Evergreen Dr. NE
Grand Rapids, MI 49525

Century A&E – Architectural Designer
277 Crahen Avenue NE
Grand Rapids, Michigan 49525

F-2

The Architect/Engineer, which are to act as Owner's representative, assume all duties and responsibilities, and have the rights and authority assigned to Architect/Engineer in the Contract Documents in connection with the completion of the Work in accordance with the Contract Documents. All references to Architect, Engineer, or Architect/Engineer shall be construed to mean these firms.

ARTICLE 4 – CONTRACT TIMES

4.01 *Time of the Essence*

- A. All time limits for Milestones, if any, Substantial Completion, and completion and readiness for final payment as stated in the Contract Documents are of the essence of the Contract. See Section 80 of the "GENERAL PROVISIONS FOR CONSTRUCTION OF AIRPORTS" for conditions.

4.02 *Days to Achieve Substantial Completion and Final Payment*

- A. The Work will be substantially completed within one hundred (100) calendar days after the date when the Contract Times commence to run as provided in Section 80-07 of the General Conditions, and completed and ready for final payment in accordance with Section 90-09 of the General Conditions within one hundred fourteen 114 calendar days after the date when the Contract Times commence to run.

4.03 *Liquidated Damages*

- A. Contractor and Owner recognize that time is of the essence as stated in Paragraph 4.01 above and that Owner will suffer financial loss if the Work is not completed within the times specified as follows, plus any extensions thereof allowed in accordance with Section 80-07 of the General Conditions.

1. Total Contract Time: One Hundred Fourteen (114) Calendar Days

(Computed as Substantial Completion + 14 Calendar Day Punchlist)

F-3

B. The parties also recognize the delays, expense, and difficulties involved in proving in a legal or arbitration proceeding the actual loss suffered by Owner if the Work is not completed on time. Accordingly, instead of requiring any such proof, Owner and Contractor agree that as liquidated damages for delay (but not as a penalty), Contractor shall pay Owner in accordance with *Table 80-08* of the "GENERAL PROVISIONS FOR CONSTRUCTION OF AIRPORTS" for each day that expires after the time specified in Paragraph 4.03.A.1 and 4.03.A.2 above for Substantial Completion until the Work is substantially complete. After Substantial Completion, if Contractor shall neglect, refuse, or fail to complete the remaining Work within the Contract Time or any proper extension thereof granted by Owner, Contractor shall pay Owner in accordance with *Table 80-08* of the "GENERAL PROVISIONS FOR CONSTRUCTION OF AIRPORTS" for each day that expires after the time specified in Paragraph 4.03.A.3 above for completion and readiness for final payment until the Work is completed and ready for final payment.

ARTICLE 5 – CONTRACT PRICE

5.01 Owner shall pay Contractor for completion of the Work in accordance with the Contract Documents an amount in current funds equal to the sum of the amounts determined pursuant to Paragraphs 5.01.A, below:

A. For all Work, at the prices stated in Contractor's Bid Proposal, attached hereto as an exhibit.

ARTICLE 6 – PAYMENT PROCEDURES

6.01 Payment shall be made in accordance with Section 90 of the "GENERAL PROVISIONS FOR CONSTRUCTION OF AIRPORTS". The payment contract provisions include no retainage.

6.02 Derivation of Partial Payments shall be made by the Architect/Engineer based upon the Contractor's Schedule of Values on a monthly basis.

ARTICLE 7 – INTEREST

7.01 All moneys not paid when due as provided in Article 14 of the General Conditions shall bear interest at the rate of 0% percent per annum.

ARTICLE 8 – CONTRACTOR'S REPRESENTATIONS

8.01 In order to induce Owner to enter into this Agreement, Contractor makes the following representations:

A. Contractor has examined and carefully studied the Contract Documents and the other related data identified in the Bidding Documents.

F-4

- B. Contractor has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C. Contractor is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
- D. Contractor has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions relating to existing surface or subsurface structures at the Site (except Underground Facilities), if any, that have been identified, and (2) reports and drawings of Hazardous Environmental Conditions, if any, at the Site that have been identified in the Supplementary Conditions as containing reliable "technical data."
- E. Contractor has considered the information known to Contractor; information commonly known to contractors doing business in the locality of the Site; information and observations obtained from visits to the Site; the Contract Documents; and the Site-related reports and drawings identified in the Contract Documents, with respect to the effect of such information, observations, and documents on (1) the cost, progress, and performance of the Work; (2) the means, methods, techniques, sequences, and procedures of construction to be employed by Contractor, including any specific means, methods, techniques, sequences, and procedures of construction expressly required by the Contract Documents; and (3) Contractor's safety precautions and programs.
- F. Based on the information and observations referred to in Paragraph 8.01.E above, Contractor does not consider that further examinations, investigations, explorations, tests, studies, or data are necessary for the performance of the Work at the Contract Price, within the Contract Times, and in accordance with the other terms and conditions of the Contract Documents.
- G. Contractor is aware of the general nature of work to be performed by Owner and others at the Site that relates to the Work as indicated in the Contract Documents.
- H. Contractor has given Engineer written notice of all conflicts, errors, ambiguities, or discrepancies that Contractor has discovered in the Contract Documents, and the written resolution thereof by Engineer is acceptable to Contractor.
- I. The Contract Documents are generally sufficient to indicate and convey understanding of all terms and conditions for performance and furnishing of the Work.

F-5

ARTICLE 9 – CONTRACT DOCUMENTS

9.01 Contents

A. The Contract Documents consist of the following:

1. This Agreement.
2. Performance bond.
3. Payment bond.
4. Federal and State Requirements
5. Drawings consisting of 19 sheets with each sheet bearing the following general title: “SRE Building Expansion & Sand Storage Construction”
6. Addenda.
7. Exhibits to this Agreement (enumerated as follows):
 - a. Bid Proposal
 - b. Documentation submitted by Contractor prior to Notice of Award.
8. The following which may be delivered or issued on or after the Effective Date of the Agreement and are not attached hereto:
 - a. Notice to Proceed.
 - b. Work Change Directives.
 - c. Change Orders.

B. The documents listed in Paragraph 9.01.A are attached to this Agreement (except as expressly noted otherwise above).

C. There are no Contract Documents other than those listed above in this Article 9.

D. The Contract Documents may only be amended, modified, or supplemented as provided in Section 40 of the General Provisions.

ARTICLE 10 – MISCELLANEOUS

10.01 Terms

A. Terms used in this Agreement will have the meanings stated in the General Provisions.

F-6

10.02 *Assignment of Contract*

- A. No assignment by a party hereto of any rights under or interests in the Contract will be binding on another party hereto without the written consent of the party sought to be bound; and, specifically but without limitation, moneys that may become due and moneys that are due may not be assigned without such consent (except to the extent that the effect of this restriction may be limited by law), and unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under the Contract Documents.

10.03 *Successors and Assigns*

- A. Owner and Contractor each binds itself, its partners, successors, assigns, and legal representatives to the other party hereto, its partners, successors, assigns, and legal representatives in respect to all covenants, agreements, and obligations contained in the Contract Documents.

10.04 *Severability*

- A. Any provision or part of the Contract Documents held to be void or unenforceable under any Law or Regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon Owner and Contractor, who agree that the Contract Documents shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.

10.05 *Contractor's Certifications*

- A. Contractor certifies that it has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for or in executing the Contract. For the purposes of this Paragraph 10.05:
 - 1. "corrupt practice" means the offering, giving, receiving, or soliciting of any thing of value likely to influence the action of a public official in the bidding process or in the Contract execution;
 - 2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the bidding process or the execution of the Contract to the detriment of Owner, (b) to establish Bid or Contract prices at artificial non-competitive levels, or (c) to deprive Owner of the benefits of free and open competition;
 - 3. "collusive practice" means a scheme or arrangement between two or more Bidders, with or without the knowledge of Owner, a purpose of which is to establish Bid prices at artificial, non-competitive levels; and
 - 4. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the bidding process or affect the execution of the Contract.

F-7

10.06 Other Provisions

A. Expenses:

The Contractor shall pay all expenses incurred by the Owner for professional architectural and engineering services necessitated by the Contractor's failure to complete the project by the date fixed for completion, including but not limited to observations, inspections, testing, reviewing, engineering, and surveying.

The Owner will deduct and retain out of any money due or to become due hereunder the amount of the liquidated damages and expenses, and in case the amount of money due is less than the amount of liquidated damages and expenses, the Contractor shall pay the difference upon demand of the Owner.

F-8

IN WITNESS WHEREOF, Owner and Contractor have signed this Agreement. Counterparts have been delivered to Owner and Contractor. All portions of the Contract Documents have been signed or have been identified by Owner and Contractor or on their behalf.

This Agreement will be effective on November 18, 2013 (which is the Effective Date of the Agreement).

OWNER:

Manistee County Blacker Airport Authority

By: Mr. Paul Schulert

Title: Board Chair

Attest: _____

Title: _____

Address for giving notices:

2323 Airport Rd

Manistee, MI 49660

(If Owner is a corporation, attach evidence of authority to sign. If Owner is a public body, attach evidence of authority to sign and resolution or other documents authorizing execution of this Agreement.)

CONTRACTOR

Johnson Diversified Services, Inc.

By: [Signature]

Title: President

(If Contractor is a corporation, a partnership, or a joint venture, attach evidence of authority to sign.)

Attest: Amanda Johnson

Title: Secretary

Address for giving notices:

312 North Street

Mason, MI 48854

License No.: _____

(Where applicable)

Agent for service of process:

F-9

Prein&Newhof
Engineers ■ Surveyors ■ Environmental ■ Laboratory

June 14, 2013
SRE Building Expansion & Sand Storage Construction
Federal Project No.: 3-26-0059-0513
State Project No.: FM 51-01-C61 & C62
P&N No.: 2120582

Mr. Barry Lind
Airport Manager
Manistee County Blacker Airport
2323 Airport Road
Manistee, MI 49660

RE: Bid Tabulation / Recommendation to Award

Dear Mr. Lind:

Please find enclosed for your use the bid tabulation for the subject project. Johnson Diversified Services is low bidder in the amount of \$411,383.00. This amount is within the project budget. Accordingly, we recommend awarding the project to Johnson Diversified Services. Please note that this amount includes a \$20,000 allowance for work to be completed with a grant with MDOT Office of Aeronautics (separate from FAA Entitlements).

If you have any questions, please contact our office:

Sincerely,

Prein&Newhof



Robert J. Nelesen, P.E.

Enclosures: Project Bid Tabulation

c: Brett Whitmore – MDOT Aero

Bid Tabulation

Owner: Manistee County Blacker Airport				1st		2nd		3rd		4th		5th	
Project Title: SRF Building Expansion & Sand Storage Construction				Engineer's Estimate		Johnson Diversified Services		JR Heineman & Sons		Hallmark Construction Inc.		Wagenmaker's Construction	
Bid Date & Time: 06/12/2013 @ 10:30AM			Project #: 2120582										
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	SRE Building Expansion & Sand Storage Construction	1.0	LS	\$502,500.00	\$502,500.00	\$383,883.00	\$383,883.00	\$431,000.00	\$431,000.00	\$433,750.00	\$433,750.00	\$527,500.00	\$527,500.00
2	Electric Service Allowance	1.0	LS	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$5,000.00	\$7,500.00	\$7,500.00	\$5,000.00	\$5,000.00
3	Gas Service Allowance	1.0	LS	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
4	Airport Entrance Sign Allowance	1.0	LS	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00	\$20,000.00
Total Bid				\$530,000.00		\$411,383.00		\$458,500.00		\$463,750.00		\$555,000.00	

* Denotes correction made by Engineer

F-10

F-11
Notice of Award

Date: November 18, 2013

Project: SRE Building Expansion & Sand Storage Construction

Owner: Manistee Blacker Airport Authority

Fed Project No.: 3-26-0059-0513

State Project No.: FM 51-01-C61 & C62

Engineer's Project No.: 2120582

Bidder: Johnson Diversified Services, Inc.

Bidder's Address:

312 North Street

Mason, Michigan 48854

You are notified that your Bid dated 6/12/2013 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for the SRE Building Expansion, Electric Service Allowance, and Gas Service Allowance.

The Contract Price of your Contract three hundred ninety-one thousand three hundred eighty-three dollars (\$391,383.00), in accordance with your bid proposal.

Four (4) copies of the proposed Contract Documents (except Drawings) were transmitted separately from this Notice of Award.

Two (2) sets of the Drawings will be delivered separately or otherwise made available to you immediately.

You must comply with the following conditions precedent within 15 days of the date you receive this Notice of Award.

1. Deliver to the Owner four (4) fully executed counterparts of the Contract Documents.
2. Deliver with the executed Contract Documents the Contract security Bonds as specified in the Instructions to Bidders *and* General Conditions.

Deliver with the executed Contract documents certificates of insurance as specified in the General Conditions.

3. Other conditions precedent: n/a

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Contract Documents.

Manistee Blacker Airport Authority

Owner

By

Authorized Signature

Title

Copy to Engineer

F-12

Prein&Newhof
Engineers • Surveyors • Environmental • Laboratory

June 14, 2013
SRE Loader & Towed Sweeper Acquisition
Federal Project No.: 3-26-0059-0513
State Project No.: FM 51-01- C63 & C64
P&N No.: 2120579

Mr. Barry Lind
Airport Manager
Manistee County Blacker Airport
2323 Airport Road
Manistee, MI 49660

RE: Bid Tabulation / Recommendation to Award

Dear Mr. Lind:

Please find enclosed for your use the bid tabulation for the subject equipment procurement.

Grandville Tractor & Equipment Company is low bidder for the SRE Loader in the amount of \$124,790.00. This amount is within the project budget. Accordingly, we recommend awarding the SRE Loader Acquisition to Grandville Tractor & Equipment Company.

MB Companies is low bidder for the Towed Sweeper in the amount of \$161,502.00. This amount is within the project budget. Accordingly, we recommend awarding the Towed Sweeper Acquisition to MB Companies.

If you have any questions, please contact our office.

Sincerely,

Prein&Newhof



Robert J. Nelesen, P.E.

Enclosures: Project Bid Tabulation

c: Brett Whitmore – MDOT Aero

Bid Tabulation

Owner: Manistee County Blacker Airport				1st		2nd		3rd	
Project Title: SRE Loader & Towed Sweeper Acquisition				MB Companies		Industrial Marketing		Grandville Tractor & Equipment Co.	
Bid Date & Time: 06/12/2013 @ 10:30AM				Project #: 2120579					
Item No.	Description	Quantity	Unit	Unit Price	Total Amount	Unit Price	Total Amount	Unit Price	Total Amount
1	SRE Loader	1.0	LS	N/A	N/A	N/A	N/A	\$124,790.00	\$124,790.00
2	Towed Sweeper	1.0	LS	\$161,502.00	\$161,502.00	\$195,800.00	\$195,800.00	N/A	N/A
Total Bid					\$161,502.00		\$195,800.00		\$124,790.00

* Denotes correction made by Engineer

F-13

F-14

Notice of Award / Notice to Proceed

Date: November 18, 2013

Project: SRE Loader & Towed Sweeper Acquisition

Owner: Manistee Blacker Airport Authority Fed Project No.: 3-26-0059-0513
 State Project No.: FM 51-01-C63
 Engineer's Project No.: 2120579

Contractor: Grandville Tractor & Equipment Company

Contractor's Address:
3710 Chicago Drive SW
Grandville, Michigan 49418

You are notified that your Bid dated 6/12/2013 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for the SRE Loader. The Contract Price of your Contract one hundred twenty-four thousand seven hundred ninety dollars (\$124,790.00), in accordance with your bid proposal.

You are hereby given a Notice to Proceed as of November 18, 2013, to provide the subject equipment as provided in your Bid. In accordance with the contract documents, the Manistee Blacker Airport Authority anticipates delivery by May 17, 2014. This document shall serve as the purchase order for the subject work.

Manistee Blacker Airport Authority

Owner

Given By:

Authorized Signature

Title

Date

Cc:
 Bob Nelesen – Prein&Newhof
 Brett Whitmore – MDOT Aero

F-15

Notice of Award / Notice to Proceed

Date: November 18, 2013

Project: SRE Loader & Towed Sweeper Acquisition

Owner: Manistee Blacker Airport Authority Fed Project No.: 3-26-0059-0513

State Project No.: FM 51-01-C64

Engineer's Project No.: 2120579

Contractor: M-B Companies, Inc.

Contractor's Address:

1200 Park Street

Chilton, Wisconsin 53014

You are notified that your Bid dated 6/12/2013 for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for the SRE Towed Sweeper. The Contract Price of your Contract one hundred sixty-one thousand five hundred two dollars (\$161,502.00), in accordance with your bid proposal.

You are hereby given a Notice to Proceed as of November 18, 2013, to provide the subject equipment as provided in your Bid. In accordance with the contract documents, the Manistee Blacker Airport Authority anticipates delivery by May 17, 2014. This document shall serve as the purchase order for the subject work.

Manistee Blacker Airport Authority
Owner

Given By: _____
Authorized Signature

Title

Date

Cc:
Bob Nelesen – Prein&Newhof
Brett Whitmore – MDOT Aero