

## **SPECIAL MEETING MINUTES**

Thursday, July 24, 2014  
12:00 Noon

Manistee County Blacker Airport  
Airline Terminal

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

**Members Absent:** Brook Shafer

**Others Present:** Barry Lind, Airport Manager; George Saylor, Airport Legal Counsel; Justine McGuire, Manistee News Advocate; and Rachel Nelson, Airport Authority Secretary

Paul Schulert, Chairperson, called the meeting to order at noon. Roll was taken by the Secretary.

Mr. Schulert explained that the reason for the special meeting was to consider approval of an agreement between the Department of Transportation (DOT) and the airport for Alternative Essential Air Service (AEAS); to consider approval of a contract between Public Charters and the airport to provide the AEAS service; and to consider approval of a bid for demolition of two buildings at the airport.

Mr. Lind explained that everything that the Airport Authority had requested was included in the Alternate Essential Air Service (AEAS) agreement (APPENDIX A). Mr. Saylor has reviewed the agreement. After discussion,

**There was a motion by Mr. Spencer, supported by Mr. Picardat, to approve 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 Alternate Essential Air Service Program, for July 26, 2014, through July 31, 2018, for \$2,328,104 per year, and to authorize the Airport Authority Chair to execute the agreement.**

**A roll call vote was taken:**

**Yeas: 6 (Schulert; Spencer; Bergstrom; Marshall; Picardat; Smith)**

**Nays: 0**

**Absent: 1 (Shafer)**

**Motion carried.**

Mr. Lind stated that the agreement between the Airport Authority and Public Charters mirrors the agreement between the Airport Authority and the DOT (APPENDIX B). The agreement includes the lease for facilities. Mr. Gallagher of Public Charters and Mr. Saylor have reviewed the agreement. After discussion,

**There was a motion by Mr. Spencer, supported by Mr. Smith, to approve the Airport Lease/Service Agreement between the Manistee Blacker Airport**

**Authority and Public Charters, Inc., for July 26, 2014, through July 31, 2018, and to authorize the Airport Authority Chair to execute the agreement.**

**A roll call vote was taken:**

**Yeas: 6 (Smith; Picardat; Marshall; Bergstrom; Spencer; Schulert)**

**Nays: 0**

**Absent: 1 (Shafer)**

**Motion carried.**

Mr. Lind stated that since construction projects are taking place at the airport, he approached the contractor regarding demolishing two buildings - an old house, which has been vacant for approximately 10 years, and a t-hangar which will become vacant after the current construction projects are complete. Mr. Lind had hoped they might do this for little or no cost, but they provided a quote for \$7,000 (APPENDIX C). Mr. Lind explained that the old house is in disrepair and cannot be used by the public since it's within the airport fence. The Airport Authority felt there could be a use for the t-hangar. It was noted that the funds would come from the Capital Improvement/PFC Fund, and that the demolition of these two buildings is not on the Capital Improvement Plan. After discussion,

**There was a motion by Mr. Marshall, supported by Mr. Schulert, to hire Johnson Diversified Services, Inc., to demolish the old house on airport property and dispose of the materials, excluding concrete, at a cost not to exceed \$4,000, to be paid from the Capital Improvement/PFC Fund.**

**A roll call vote was taken:**

**Yeas: 4 (Marshall; Picardat; Smith; Schulert)**

**Nays: 2 (Bergstrom; Spencer)**

**Absent: 1 (Shafer)**

**Motion carried.**

With there being no further business to come before the Authority, the meeting was adjourned at 12:45 P.M.

Respectfully submitted,

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Rachel Nelson, Airport Authority Secretary

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**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 ALTERNATE ESSENTIAL AIR SERVICE  
PROGRAM**

WHEREAS, the Manistee Blacker Airport Authority (hereinafter referred to as the Grantee), in association with the Essential Air Service (EAS) eligible community of Manistee/Ludington, Michigan, has submitted an application for participation in the Alternate Essential Air Service (AEAS) Program and the U.S. Department of Transportation (DOT) has established annual air service levels and total costs. THEREFORE, DOT, acting for the UNITED STATES, presents this Grant Award and Agreement to the Grantee for \$9,312,416 for Alternate Essential Air Service at the community for a four-year term, and in the amount of \$2,328,104 per year, subject to the availability of funds. Unless otherwise defined in this Grant Agreement, capitalized terms shall have the meanings assigned to such terms in Section D hereof.

**THIS GRANT AWARD AND AGREEMENT IS MADE ON AND SUBJECT TO  
THE FOLLOWING TERMS AND CONDITIONS:**

**A. GENERAL CONDITIONS**

1. The eligibility of Manistee/Ludington, Michigan, under the AEAS Program, shall be contingent upon its continuing to meet all of the eligibility criteria for inclusion in the EAS Program as defined by 49 U.S.C. §§ 41731-42.
2. The Grantee, in association with the community of Manistee/Ludington, Michigan, will forgo participation in the traditional EAS Program for a four-year period, beginning July 26, 2014, through July 31, 2018, except as otherwise prescribed in section B.3.f.
3. The Grantee will contract with a Part 380 indirect air carrier to provide scheduled charter air transportation to Chicago Midway International Airport (MDW), or alternate large or medium hub airport designated by the community.
4. The maximum obligation of the United States reimbursable under this Grant Agreement shall be \$9,312,416, and in the amount of \$2,328,104 per year, subject to the availability of funds.
5. Payment by the United States for AEAS will be made pursuant to and in accordance with the provisions of such regulations and procedures as DOT may prescribe.
6. The Grantee, including any third parties, shall provide AEAS without undue delays and in accordance with the terms hereof and pursuant to any regulations and procedures as DOT may prescribe.
7. This Grant Award constitutes an obligation of Federal funding, in the amount of \$2,328,104 per year, subject to the availability of funding. This Grant

Award shall expire and the United States shall not be obligated to reimburse any part of the costs of the project unless the Grantee signs this Grant Agreement on or before **July 25, 2014**, or such subsequent date as may be prescribed in writing by DOT. If the Grantee makes any substantive changes to this Grant Agreement, such changes shall constitute proposed amendments to this Grant Award and Agreement and further action on the part of DOT is required in order for DOT to accept such proposed amendments to the initial Grant Award obligation.

8. The Grantee shall take all steps, including litigation, if necessary, to recover Federal funds when DOT determines, after consultation with the Grantee, that such funds have been spent fraudulently, wastefully, or in violation of Federal laws, or misused in any manner in any project upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or disbursed by the Grantee that were originally paid pursuant to this Grant Agreement.
9. The Grantee shall retain all documents relevant to the Grant Award and Agreement for a period of seven years after air service undertaken pursuant to the Grant Agreement and receipt of final reimbursement from the U.S. Treasury, whichever is later. It shall furnish DOT, upon request, all documents and records pertaining to the determination of the amount of the Federal funds or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Grantee, in court or otherwise, involving the recovery of such Federal funds shall be approved in advance by DOT.
10. The United States shall not be responsible or liable for damage to property or injury to persons that may arise from, or be incident to, compliance with this Grant Agreement.
11. The Grantee shall ensure compliance with Federal regulations requiring conduct of a Federally-approved audit of any expenditure of funds of \$500,000 or more in a year in Federal awards.
12. The provisions of 49 CFR Part 18, including Section 18.36 (DOT's procurement standards for grants), will apply to the extent that the Grantee procures property and services in carrying out AEAS.

## **B. APPLICATION OF SPECIFIC CONDITIONS**

1. Grantee: The Manistee Blacker Airport Authority, as the Grantee under the AEAS Program, shall administer the Grant according to the conditions set forth in this Grant Agreement.

**Grantee Contact:**

Mr. Barry Lind  
Airport Director  
Manistee County Blacker Airport  
2323 Airport Road  
Manistee, Michigan 49660  
Phone: (231) 723-4351

Fax: (231) 723-8814  
Email: manisteeairport@gmail.com

2. Purpose: For the Grantee to contract with a Part 380 indirect air carrier to provide scheduled public charter air transportation from the Community to Chicago Midway International Airport (MDW), or alternate large or medium hub airport designated by the community. The Grant Award will comprise reimbursement of costs incurred per completed flight segment for a period of four years, as set forth in Section B.3, below.

3. Alternate Essential Air Service

- a. Service will be provided using 30-seat BAE Jetstream 41, 19-seat BAE Jetstream 31, or equivalent twin-engine aircraft conducting regularly scheduled public charter flights.
- b. Equivalent service with substitute aircraft in the event of mechanical problems or other unforeseen circumstances is acceptable.
- c. Subsidy is to be calculated at \$0.80559 per ASM (Available Seat Mile)
- d. Downline or upline service is permitted.
- e. Service levels may fluctuate to reflect seasonal changes in demand and to provide greater frequency than planned.
- f. In the event of early termination of the contract with the indirect air carrier by the Grantee, the Grantee shall immediately notify DOT whether it intends to continue to maintain its link to the national air transportation system through AEAS by finding a new indirect air carrier to provide the service described herein for the remainder of this Grant Agreement's four-year term or to re-enter the traditional EAS program. The Grantee and the indirect air carrier will agree to a "hold-in" period while the Grantee or DOT secures replacement air service, depending on the Grantee's preference to continue the AEAS or revert to basic EAS.
- g. All scheduled flights performed under this agreement are to be operated in a sterile environment. Passengers and accompanying baggage will be screened by the Transportation Security Administration at MDW (or alternate hub) and the Manistee County Blacker Airport. At MDW (or alternate hub), passengers and accompanying baggage would deplane into a sterile terminal environment.
- h. Subject to the terms set forth in this Grant Agreement, DOT reserves the right to terminate the Grant Agreement, and DOT's obligations hereunder, on 30 days' prior written notice, unless otherwise agreed between the Grantee and DOT, if the Grantee does not meet the conditions and obligations specified under this Grant Agreement, and/or DOT determines that termination is in the public interest.
- i. Either party may seek to amend or modify this Grant Agreement on 30 days' prior written notice to the other party. The Grant Agreement will be amended or modified only on mutual written agreement by both parties.
- j. At any time, on 30 days' prior written notice, DOT may terminate this Grant Agreement.

- k. Upon termination or expiration of this Grant Agreement, DOT will retain any remaining unliquidated funds.

4. Reimbursement

- a. Allowable Maximum: All payments by DOT to the Grantee for AEAS at the community will be made on a reimbursable basis and shall not exceed \$2,328,104 per year, with a monthly maximum of \$388,017 to accommodate for seasonal demand.
- b. Completed Flight Segments: Such payments shall be based on invoices submitted by the grantee documenting completed flights and previously agreed upon subsidy-per-flight calculations, based on hub served and great circle distance between Manistee Airport (MBL) and the hub. (e.g. MBL-MDW, 188 miles x 19 seats x \$0.80559 = \$2,878 per completed flight)
- c. During all four years of service, DOT will reimburse the Grantee \$0.80559 per ASM (Available Seat Mile) flown
- d. Requirements:
  - i. To receive reimbursements for completed flight segments, the Grantee must first submit to DOT documentary evidence of expenditures. DOT will review the documentary evidence of expenditures provided by the Grantee and will promptly process appropriate reimbursements to the Grantee.
- e. DOT will not reimburse the Grantee for any expenses incurred before the execution of this Grant Agreement.
- f. DOT will not reimburse the Grantee for any expenses incurred after the expiration or termination of this Grant Agreement.
- g. The Grantee shall ensure that reimbursements provided by DOT are not misappropriated or misdirected to any other account, need, project, line-item, or the like.
- h. All requests for reimbursements shall be made by the Grantee within 60 calendar days of the relevant expenditures.

5. Reports: The Grantee shall provide quarterly reports of its expenditures to DOT. The reports shall include the following information (by month): (i) number of flights scheduled; (ii) number of flights completed; (iii) number of revenue passengers carried (enplanements and deplanements); (iv) total revenue; (v) hub airport used and an example of the calculation used for calculating subsidy for a recent flight. Quarterly reports are due no later than 15 calendar days after the close of each quarter (e.g. January 15, April 15, July 15, and October 15).

6. Grantee Obligations

- a. The Grantee shall, within 15 calendar days after their execution, provide DOT with a copy of all agreements executed between the Grantee and any air carriers, or other parties related to the Grantee's AEAS. The Grantee shall, within 15 calendar days after execution, also provide DOT with notice of any amendment to, or termination of such agreements. The

Grantee shall ensure that all agreements entered into with third parties regarding this grant are consistent with this Grant Agreement and the documents incorporated by reference into the Grant Agreement.

- b. The Grantee shall ensure that the obligations set forth in this Grant Agreement are met. Failure to do so may result in termination of the Grant Agreement by DOT.

**C. ASSURANCES**

The Grantee shall execute the attached assurances and certifications (Assurances) in conjunction with its signing of this Grant Agreement and shall ensure its compliance with these Assurances and any amendments or modifications thereto.

**D. DEFINITIONS**

**Agreement:** Any written contract or obligation between the Grantee and/or all parties identified in the application for AEAS.

**Application or AEAS Application:** The complete document submitted by the Grantee to DOT in Dockets OST-1996-1711 and 2004-18715, including any amendments.

**Indirect air carrier:** A DOT approved public charter operator authorized to sell air travel directly to the public, that will contract a DOT certified direct air carrier that carries an FAA-issued Air Carrier Certificate for the provision of aircraft and associated flight services necessary to provide air passenger service under this agreement.

**Community:** All parties identified in the Grant Application as participating in AEAS, including the designated Grantee.

**DOT:** United States Department of Transportation.

**Execution of Grant Agreement:** Signing of the written Grant Agreement by DOT and Grantee.

**Grant Agreement:** The written agreement between DOT and the Grantee for Alternate EAS, incorporating by reference, except to the extent otherwise inconsistent with the terms of the written agreement, the original application filed on April 10, 2014, in Dockets DOT-OST-1996-1711 and DOT-OST-2004-18715, including any amendments.

**Grant Recipient/Grantee:** Community receiving Alternate EAS, including the Grantee.

**Passenger Seat Flown:** The number of seats on the aircraft flown under this AEAS Grant Agreement regardless of whether there is a passenger in the seat.

**Party:** DOT and/or the Grantee, as the context indicates.

**The Alternate Essential Air Service (AEAS) Program:** One of *Community and Regional Choice Programs* originally established under Vision 100—The Century in Aviation Reauthorization Act, P.L. 108-176, and codified in 49 U.S.C. 41745.

**Grantee Obligations:** Material responsibilities of the Grantee under this Grant Agreement and those documents incorporated by reference into the Grant Agreement as set forth above (Definition of Grant Agreement).

**Grantee:** The designated representative to administer and oversee implementation of the Grant Agreement and fulfillment of the authorized Alternate EAS.

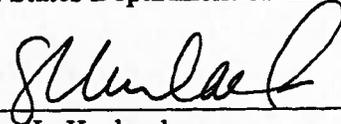
**GRANT AWARD**

This Grant Award and Agreement is made in accordance with 49 U.S.C. §§ 41731 and 41745 and is subject to the terms and conditions and the Assurances attached hereto and incorporated herein.

Executed this 23rd day of July, 2014.

(SEAL)

United States Department of Transportation

By:   
Susan L. Kurland  
Assistant Secretary  
for Aviation and International Affairs

**ACCEPTANCE**

The undersigned Grantee agrees to accomplish Alternate Essential Air Service in compliance with the terms and conditions of this Grant Agreement and the Assurances attached hereto and incorporated herein.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Manistee Blacker Airport Authority  
Manistee, Michigan

(SEAL)

By: \_\_\_\_\_  
Signature of Grantee's Designated Official Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

Attest: \_\_\_\_\_

Title: \_\_\_\_\_

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**GRANT ASSURANCES**

**TITLE VI ASSURANCE**

**(Implementing Title VI of the Civil Rights Act of 1964, as amended)**

**ASSURANCE CONCERNING NONDISCRIMINATION IN FEDERALLY-ASSISTED PROGRAMS AND ACTIVITIES RECEIVING OR BENEFITING FROM FEDERAL FINANCIAL ASSISTANCE**

(Implementing the Rehabilitation Act of 1973, as amended, and the Americans With Disabilities Act, as amended)

49 C.F.R. Parts 21, 25, 27, 37 and 38

**The United States Department of Transportation (USDOT)**

**Standard Title VI/Non-Discrimination Assurances**

**DOT Order No. 1050.2A**

By signing and submitting the Grant Application and by entering into the Grant Agreement under the Alternate Essential Air Service Program (AEAS), the Grantee (also herein referred to as the "Recipient"), **HEREBY AGREES THAT**, as a condition to receiving any Federal financial assistance from the U.S. Department of Transportation (DOT), the Grantee is subject to and will comply with the following:

**Statutory/Regulatory Authorities**

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 Stat. 252), (prohibits discrimination on the basis of race, color, national origin);
- 49 C.F.R. Part 21 (entitled *Non-discrimination In Federally-Assisted Programs Of The Department Of Transportation—Effectuation Of Title VI Of The Civil Rights Act Of 1964*);
- 28 C.F.R. Section 50.3 (U.S. Department of Justice Guidelines for Enforcement of Title VI of the Civil Rights Act of 1964);

The preceding statutory and regulatory cites hereinafter are referred to as the "Acts" and "Regulations," respectively.

**General Assurances**

In accordance with the Acts, the Regulations, and other pertinent directives, circulars, policy, memoranda, and/or guidance, the Recipient hereby gives assurance that it will promptly take any measures necessary to ensure that:

*"No person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity," for which the Recipient receives Federal financial assistance from DOT.*

The Civil Rights Restoration Act of 1987 clarified the original intent of Congress, with respect to Title VI and other Non-discrimination requirements (The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973), by restoring the broad, institutional-wide scope and coverage of these non-discrimination statutes and requirements to include all programs and activities of the Recipient, so long as any portion of the program is Federally assisted.

**Specific Assurances**

More specifically, and without limiting the above general Assurance, the Recipient agrees with and gives the following Assurances with respect to its Federally assisted AEAS Program:

1. The Recipient agrees that each "activity," "facility," or "program," as defined in §§ 21.23 (b) and 21.23 (e) of 49 C.F.R. § 21 will be (with regard to an "activity") facilitated, or will be (with regard to a "facility") operated, or will be (with regard to a "program") conducted in compliance with all requirements imposed by, or pursuant to the Acts and the Regulations.
2. The Recipient will insert the following notification in all solicitations for bids, Requests For Proposals for work, or material subject to the Acts and the Regulations made in connection with the AEAS Program and, in adapted form, in all proposals for negotiated agreements regardless of funding source:

*"The Grantee, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders that it will affirmatively ensure that any contract entered into pursuant to this advertisement, disadvantaged business enterprises will be afforded full and fair opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award."*

3. The Recipient will insert the clauses of Appendix A and E of this Assurance in every contract or agreement subject to the Acts and the Regulations.
4. The Recipient will insert the clauses of Appendix B of this Assurance, as a covenant running with the land, in any deed from the United States effecting or recording a transfer

of real property, structures, use, or improvements thereon or interest therein to a Recipient.

5. That where the Recipient receives Federal financial assistance to construct a facility, or part of a facility, the Assurance will extend to the entire facility and facilities operated in connection therewith.
6. That where the Recipient receives Federal financial assistance in the form, or for the acquisition of real property or an interest in real property, the Assurance will extend to rights to space on, over, or under such property.
7. That the Recipient will include the clauses set forth in Appendix C and Appendix D of this Assurance, as a covenant running with the land, in any future deeds, leases, licenses, permits, or similar instruments entered into by the Recipient with other parties:
  - a. for the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and
  - b. for the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
8. That this Assurance obligates the Recipient for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the Assurance obligates the Recipient, or any transferee for the longer of the following periods:
  - a. the period during which the property is used for a purpose for which the Federal financial assistance is extended, or for another purpose involving the provision of similar services or benefits; or
  - b. the period during which the Recipient retains ownership or possession of the property.
9. The Recipient will provide for such methods of administration for the program as are found by the Secretary of Transportation or the official to whom he/she delegates specific authority to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the Acts, the Regulations, and this Assurance.
10. The Recipient agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the Acts, the Regulations, and this Assurance.

By signing this ASSURANCE, the Grantee also agrees to comply (and require any sub-recipients, sub-grantees, contractors, successors, transferees, and/or assignees to comply) with all applicable provisions governing DOT's access to records, accounts, documents, information, facilities, and staff. You also recognize that you must comply with any program or compliance

reviews, and/or complaint investigations conducted by DOT. You must keep records, reports, and submit the material for review upon request to DOT, or its designee in a timely, complete, and accurate way. Additionally, you must comply with all other reporting, data collection, and evaluation requirements, as prescribed by law or detailed in program guidance.

The Grantee gives this ASSURANCE in consideration of and for obtaining any Federal grants, loans, contracts, agreements, property, and/or discounts, or other Federal-aid and Federal financial assistance extended after the date hereof to the recipients by the U.S. Department of Transportation under the AEAS program. This ASSURANCE is binding on the Grantee, other recipients, sub-recipients, sub-grantees, contractors, subcontractors and their subcontractors, transferees, successors in interest, and any other participants in the AEAS Program.

**APPENDIX A**

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Acts and the Regulations relative to Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The contractor will not participate directly or indirectly in the discrimination prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 C.F.R. Part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information and its facilities as may be determined by the Recipient or DOT to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the Recipient or DOT, as appropriate, and will set forth what efforts it has made to obtain the information.

- 5. **Sanctions for Noncompliance:** In the event of a contractor's noncompliance with the Non-discrimination provisions of this contract, the Recipient will impose such contract sanctions as it or DOT may determine to be appropriate, including, but not limited to:
  - a. withholding payments to the contractor under the contract until the contractor complies; and/or
  - b. cancelling, terminating, or suspending a contract, in whole or in part.
  
- 6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the Recipient or DOT may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the Recipient to enter into any litigation to protect the interests of the Recipient. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

**APPENDIX B**

**CLAUSES FOR DEEDS TRANSFERRING UNITED STATES PROPERTY**

The following clauses will be included in deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein from the United States pursuant to the provisions of Assurance 4:

**NOW, THEREFORE,** the U.S. Department of Transportation as authorized by law and upon the condition that the Grantee will accept title to the lands and maintain the project constructed thereon in accordance with and in compliance with all requirements imposed by Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S Department of Transportation pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. § 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the Grantee all the right, title and interest of the U.S. Department of Transportation in and to said lands described in Exhibit A attached hereto and made a part hereof.

**(HABENDUM CLAUSE)**

**TO HAVE AND TO HOLD** said lands and interests therein unto Grantee and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and will be binding on the Grantee, its successors and assigns.

The Grantee, in consideration of the conveyance of said lands and interests in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person will on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed [,] [and]\* (2) that the Grantee will use the lands and interests in lands and interests in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations and Acts may be amended[, and (3) that in the event of breach of any of the above-mentioned non-discrimination conditions, the Department will have a right to enter or re-enter said lands and facilities on said land, and that above described land and facilities will thereon revert to and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed prior to this instruction].\*

(\*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

**APPENDIX C**

**CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM**

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the Grantee pursuant to the provisions of Assurance 7(a):

- A. The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that:
  - 1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
  - B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Non-discrimination covenants, Grantee will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.\*

C. With respect to a deed, in the event of breach of any of the above Non-discrimination covenants, the Grantee will have the right to enter or re-enter the lands and facilities thereon, and the above described lands and facilities will there upon revert to and vest in and become the absolute property of the Grantee and its assigns.\*

(\*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

**APPENDIX D**

**CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM**

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by Grantee pursuant to the provisions of Assurance 7(b):

- A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations, as amended, set forth in this Assurance.
- B. With respect to (licenses, leases, permits, etc.), in the event of breach of any of the above Non-discrimination covenants, Grantee will have the right to terminate the (license, permit, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.\*
- C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, Grantee will there upon revert to and vest in and become the absolute property of Grantee and its assigns.\*

(\*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Pertinent Non-Discrimination Authorities:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*, 78 Stat. 252), (prohibits discrimination on the basis of race, color, national origin); and 49 C.F.R. Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 *et seq.*), (prohibits discrimination on the basis of sex);
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 *et seq.*), as amended, (prohibits discrimination on the basis of disability); and 49 C.F.R. Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 *et seq.*), (prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex, and is in addition to Title VI of the Civil Rights Act of 1964);
- The Civil Rights Restoration Act of 1987, (PL 100-259), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);
- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations at 49 C.F.R. Parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, as amended by Executive Order 12948, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);

- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. § 1681 *et seq.*).

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Grant Recipient

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
OFFICE OF AVIATION ANALYSIS

CERTIFICATION REGARDING INFLUENCING ACTIVITIES

Certification for Contracts, Grants, Loans,  
and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Influencing Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Grant Recipient

A. B

UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
OFFICE OF AVIATION ANALYSIS

CERTIFICATION REGARDING DRUG-FREE WORKPLACE REQUIREMENTS  
IN THE PERFORMANCE OF ALTERNATE ESSENTIAL AIR SERVICE PROGRAM PURSUANT TO GRANT  
AWARD UNDER THE ALTERNATE ESSENTIAL AIR SERVICE PROGRAM

A. The grant recipient certifies that it will, or will continue, to provide a drug-free workplace by:

- (a) Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance is prohibited in the grant recipient's workplace, and specifying the actions that will be taken against employees for violation of such prohibition;
- (b) Establishing an ongoing drug-free awareness program to inform employees about--
  - (1) The dangers of drug abuse in the workplace;
  - (2) The grant recipient's policy of maintaining a drug-free workplace;
  - (3) Any available drug counseling, rehabilitation, and employee assistance programs; and
  - (4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- (c) Making it a requirement that each employee to be engaged in the performance of work supported by the grant award be given a copy of the statement required by paragraph (a);
- (d) Notifying the employee in the statement required by paragraph (a) that, as a condition of employment supported by the grant award, the employee will--
  - (1) Abide by the terms of the statement; and
  - (2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;
- (e) Notifying the agency in writing, within ten calendar days after receiving notice under paragraph (d)(2) from an employee or otherwise receiving actual notice of conviction. Employers of convicted employees must provide notice, including position title, to the Office of Aviation Analysis. Notice shall include the order number of the grant award;
- (f) Taking one of the following actions, within 30 days of receiving notice under paragraph (d)(2), with respect to any employee who is so convicted--
  - (1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended, or
  - (2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State or local health, law enforcement, or other appropriate agency;
- (g) Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs (a), (b), (c), (d), (e) and (f).

B. The grant recipient *may*, but is not required to, insert in the space provided below the site for the performance of work done in connection with the specific grant.

Places of Performance (street address, city, county, state, zip code). For the provision of air service pursuant to the grant award, workplaces include outstations, maintenance sites, headquarters office locations, training sites and any other worksites where work is performed that is supported by the grant award.

Check [ ] if there are workplaces on file that are not identified here.

\_\_\_\_\_  
Grant Recipient Signature

\_\_\_\_\_  
Date

**OFFICE OF THE SECRETARY OF TRANSPORTATION**

**CERTIFICATION REGARDING DEBARMENT, SUSPENSION, AND OTHER  
RESPONSIBILITY MATTERS -- PRIMARY COVERED TRANSACTIONS**

**2 C.F.R. Part 1200, 2 C.F.R. Part 180**

**Instructions for Certification**

1. By entering in the AEAS Grant Agreement and signing below, the Sponsor is providing the assurance and certification set out below.
2. The inability of a person to provide the certification required below will not necessarily result in denial of participation in this covered transaction. The Sponsor shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the Sponsor to furnish a certification or an explanation shall disqualify such person from participation in this transaction.
3. The certification in this clause is a material representation of fact upon which reliance was placed when the department or agency determined to enter into this transaction. If it is later determined that the Sponsor knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.
4. The Sponsor shall provide immediate written notice to the department or agency to which this proposal is submitted if at any time the Sponsor learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
5. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meanings set out in the Definitions and Coverage sections of the rules implementing Executive Order 12549. You may contact the department or agency to which this proposal is being submitted for assistance in obtaining a copy of those regulations.
6. The Sponsor agrees that it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction pursuant to 2 C.F.R. Parts 180 or 1200 or 48 C.F.R. Part 9, Subpart 9.4, unless authorized by the department or agency entering into this transaction.
7. The Sponsor further agrees that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," available from the department or agency entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
8. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction pursuant to 2 C.F.R. Parts 180 or 1200 or 48 C.F.R. Part 9, Subpart 9.4, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its

principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

9. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

10. Except for transactions authorized under paragraph 6 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction pursuant to 2 C.F.R. Parts 180 or 1200 or 48 C.F.R. Part 9, Subpart 9.4, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default.

**Certification Regarding Debarment, Suspension, and Other Responsibility Matters -- Primary Covered Transactions**

- (1) The Sponsor certifies to the best of its knowledge and belief, that it and its principals:
  - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
  - (b) Have not within a three-year period preceding this Grant Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
  - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification; and
  - (d) Have not within a three-year period preceding this Grant Agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
- (2) Where the Sponsor is unable to certify to any of the statements in this certification, such Sponsor shall attach an explanation to this proposal.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Affiliation

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**OFFICE OF THE SECRETARY OF TRANSPORTATION  
CERTIFICATION REGARDING DEBARMENT, SUSPENSION,  
INELIGIBILITY AND VOLUNTARY EXCLUSION – LOWER TIER COVERED  
TRANSACTIONS**

**Instructions for Certification**

1. By entering into the AEAS Grant Agreement and signing below, the Sponsor is providing the assurance and certification set out below.
2. The certification required by a prospective lower tier participant is a material representation of fact upon which reliance is placed when a transaction is entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which the certification is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms covered transaction, debarred, suspended, ineligible, lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant shall agree that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction pursuant to 2 C.F.R. Parts 180 or 1200 or 48 C.F.R. Part 9, Subpart 9.4, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant shall further agree that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.
7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction pursuant to 2 C.F.R. Parts 180 or 1200 or 48 C.F.R. Part 9, Subpart 9.4, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Non-procurement Programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment, debarred, suspended, declared ineligible, or voluntarily excluded from participation in the covered transaction pursuant to 2 C.F.R. Parts 180 or 1200 or 48 C.F.R. Part 9, Subpart 9.4, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

**Certification Regarding Debarment, Suspension, Ineligibility an Voluntary Exclusion -- Lower Tier Covered Transactions**

By entering into the AEAS Grant Agreement and signing below, the Sponsor is providing the assurance set forth in paragraphs (1) and (2) below.

(1) The Sponsor shall ensure that any prospective lower tier participant certifies that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the Grant Project by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in the certification, the Sponsor shall ensure that such lower tier prospective participant attaches an explanation to the certification.

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Affiliation

\_\_\_\_\_  
Date

AIRPORT LEASE/SERVICE AGREEMENT

This Agreement, made and entered into as of July 24, 2014, by and between the Manistee Blacker Airport Authority, a body corporate, under the provisions of Act 206, Public Acts of 1957, of the State of Michigan, of 2323 Airport Road, Manistee, MI 49660 (hereinafter referred to as "Airport"), and Public Charters, Inc., a Pennsylvania corporation and a Part 380 Indirect Air Carrier, of 201 Hangar Road, Avoca, PA 18641 (the "Indirect Air Carrier").

WITNESSETH:

WHEREAS, Airport owns, operates and controls the Manistee County Blacker Airport, located in the Township of Manistee, Manistee County, Michigan, the Airport being a body corporate organized under Michigan law and for which its sole member is the County of Manistee, Michigan; and

WHEREAS, Airport has a terminal building, offices, ramp space and other facilities available at the Airport, and has the power and authority to grant certain rights and privileges with respect to same, and

WHEREAS, Indirect Air Carrier has agreed to provide certain airline service at the Airport, and desires to lease certain facilities for its operations, and

WHEREAS, Airport desires to make certain airport facilities available to Indirect Air Carrier, so that Indirect Air Carrier may more readily provide airline service to the area.

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, It Is Agreed, As Follows:

1. That Airport hereby leases to Indirect Air Carrier and Indirect Air Carrier hereby leases from Airport, the following facilities at the Airport, to-wit:

The exclusive use of approximately 295 square feet of space in the South central portion of the Terminal Building, and the non-exclusive use by the Indirect Air Carrier, its employees, passengers, guests, patrons and invitees, in common with others, of 1407 square feet in the Terminal Building, including baggage handling area, check in area and the secure waiting area. In addition the Indirect Air Carrier, its employees, passengers, guests, patrons and invitees, in common with others shall have access to additional public spaces including its lobby, waiting rooms, hallways, restrooms and other public spaces. The space herein demised to the Indirect Air Carrier for its exclusive use may be used by Indirect Air Carrier for ticket office, operations office, passenger service, office and baggage service purposes or such other purposes as Indirect Air Carrier may deem desirable in the conduct of its scheduled airline service.

2. TERM AND RENTAL: That Airport shall lease to Indirect Air Carrier space within the Airport Terminal, as above-described, for the term of this Agreement, commencing on the 26th day of July, 2014 and terminating on the 31st day of July, 2018, and during that term Indirect Air Carrier shall pay rental to Airport, as follows, to-wit:

Office space at \$22.92 per square foot (295 square feet)	\$ 6,761.40
Electrical utility reimbursement (\$1.51 per square foot – 1702 square feet)	\$ 2,570.02
Airline Lobby/Waiting/Baggage Area at \$19.53 per square foot (1407 square feet)	<u>\$27,478.71</u>
Total Annual Rental	\$36,810.13
Total Monthly Rental	\$ 3,067.51

The monthly rate of \$3,067.51 shall be prorated at \$98.95 per day from when air service commences for the first month, with a payment due on the 1<sup>st</sup> day of each month thereafter of the full monthly rate.

3. AIRLINE SERVICE: This Agreement is entered into and expressly contingent upon the securing and maintaining by the Airport of grant funding through the United States Department of Transportation (“USDOT”) under the Alternative Essential

Air Service Program as described in 49 U.S.C. § 41745. If for any reason the Airport is unable to secure grant funding through the USDOT or, once secured, grant funding is terminated, the obligations of the parties pursuant to this Agreement shall immediately terminate.

It is a condition of this Agreement that the Indirect Air Carrier secure the following minimum air service for the Airport:

- a. 365 scheduled annual round trips to Chicago Midway Airport, or alternate large or medium hub, with a minimum of twin engine 19 seat aircraft;
  - i. In the event of mechanical or other unforeseen problem, Indirect Air Carrier shall have the ability to substitute aircraft.
  - ii. Any reduction in service less than this minimum shall be subject to the approval of the Airport.
- b. The type of aircraft utilized, flight schedules and route (including hub airport and any upline or downline stops) shall be subject to approval of the Airport. Changes to airfares exceeding 20% of the average initial fares shall be subject to the approval of the Airport.
- c. The Indirect Air Carrier shall maintain a reliability average of 90% On Time Performance during the Term. Delays due to weather, air traffic control, or other factors beyond the control of the Indirect Air Carrier or the Direct Air Carrier at either Manistee, the hub airport or enroute will not be counted toward this average. An "On Time" departure is considered to be any departure that has commenced departure from the gate area of the Manistee County Blacker Airport or the hub airport within 15 minutes of the scheduled departure time. If the Indirect Air Carrier's On Time Performance falls below 90% for any 3 month look back period, the Airport shall have the right to terminate this agreement

subject to sixty day written notice and the agreement of Indirect Air Carrier to Hold-In upon termination.

- d. All scheduled flights performed under this agreement are to be operated in a sterile environment. Passengers and accompanying baggage will be screened at the hub airport and the Manistee County Blacker Airport. At the hub airport, passengers and accompanying baggage will deplane into the sterile terminal environment unless otherwise agreed between Airport and Indirect Air Carrier.
- e. Payment made to Indirect Air Carrier pursuant to this Agreement shall be as follows:
  - i. Completed Flight Segments:
    - a. During all four years of this agreement, Indirect Air Carrier shall be paid by Airport \$0.80559 per ASM (Available Seat Mile) flown for completed flight segments. (e.g. MBL-MDW, 188 miles x 19 seats x \$0.80559 = \$2,878 for a completed flight segment).
    - b. During all four years of this agreement, Indirect Air Carrier shall be paid by Airport a maximum of \$2,328,104 per year and no more than \$388,017 during any single month.
  - ii. All obligations owed to Indirect Air Carrier under this Agreement are contingent upon payment by DOT.
  - iii. No expenses incurred after the expiration or termination of this Agreement or the Grant Agreement with DOT shall be paid.
  - iv. All requests for reimbursements or payments shall be made by Indirect Air Carrier such that submission may be made to DOT within 60 calendar days of the relevant expenditures.
  - v. Payments made by Airport to Indirect Air Carrier remain contingent upon, and are due upon, the receipt of funds from the USDOT under the terms of the Alternative Essential Air Service Grant.
- f. Indirect Air Carrier shall pay to Airport Monthly handling fees of Fourteen Thousand Four Hundred Forty-Seven and 92/100ths (\$14,447.92) Dollars based upon the following computation:  $\$475/\text{day} \times 365 \text{ days per year} = \$173,375/12$ . If payment has not been made for the sum provided for in this paragraph, Airport

retains the right to offset the payment obligations owed under paragraph 3. e. above by the amount owed under this paragraph.

g. Any agreement entered into between Indirect Air Carrier and a Direct Air Carrier to provide service under the terms of this Agreement shall include the following financial obligations owed by Direct Air Carrier to Airport:

- i. Monthly landing fee of Eight Hundred Sixty-six and 67/100ths (\$866.67) Dollars (prorated at \$28 49 per day for any partial month). This amount shall increase by the same percentage of increase by Airport of landing fees for other aircraft (i.e. current landing fees are \$20 per landing and an increase to \$22 per landing would cause a 10% increase in the charge provided in this paragraph); and
- ii. The Direct Air Carrier and the Indirect Air Carrier will pay a per gallon airport flowage fee for on airport fuel purchases based on the following rate schedule: \$0.15 per gallon for the first 1000 gallons purchased during a calendar month, \$0.08 for next 4000 gallons purchased during a calendar month and \$0.02 for each gallon above 5000 purchased during a calendar month.

h. The Airport and Indirect Air Carrier shall cooperate on marketing activities for the contracted air service. On a yearly basis, the Indirect Air Carrier and Airport shall agree to an amount that the Indirect Air Carrier shall contribute towards the cooperative marketing efforts.

The above monthly payments shall be made to Manistee Blacker Airport Authority at the Authority's mailing address, unless otherwise designated by the Authority in writing.

4. TAXES: Indirect Air Carrier shall pay all personal property taxes levied against the personal property of Indirect Air Carrier and located upon or within said leased premises, and shall pay all taxes, assessments and/or fees related to the operation of its business upon or within said leased business premises.

5. UTILITIES AND CUSTODIAL SERVICES: Airport shall pay and be responsible for heat and electricity, for normal and customary usage in the terminal, and shall also clean and maintain the leased areas excepting the leased office space.

6. ACCESS AREAS: Airport agrees to provide Indirect Air Carrier's customers and employees with access to the terminal building's main lobby, restrooms, and parking lot.

7. REPAIR AND MAINTENANCE OF PREMISES: Indirect Air Carrier agrees to and does hereby accept the premises herein leased in the condition existing at the commencement of the rental term. Indirect Air Carrier agrees to keep the premises in good repair, reasonable wear and tear excepted, and to return the premises at the expiration of the term in like condition as when taken, and from time to time improved by either the Airport or the Indirect Air Carrier. No structural changes shall be made in the leased premises without the prior written approval of Airport, which shall not be unreasonably withheld. Airport shall be responsible for preserving the structural integrity of the building, including plumbing and electrical systems.

8. DAMAGE BY FIRE OR OTHER CASUALTY TO BUILDING: In the event the building or structural improvements on the premises are injured or destroyed by fire or other casualty during the term of this Lease, the Airport shall repair and restore the same to tenable condition as promptly as is practical, and the rent herein provided shall abate during the time that said premises are untenable in proportion to the extent that the Indirect Air Carrier is deprived of the use of the building. If the building or structural improvements shall be damaged or destroyed to the extent of more than one-half (1/2) of its then current value, Airport shall not be obligated to rebuild or repair the same and if

Airport so elects, this Lease shall be terminated forthwith by thirty (30) days written notice to Indirect Air Carrier.

9. WAR OR DECLARED EMERGENCY: During time of war or declared emergency, Airport shall have the right to enter into an agreement with the United States Government for use, including military use, of part or all of the landing area, the publicly owned air navigation facilities, and/or other areas or facilities of the Airport. The Airport may further be closed by lawful authority for a period of time, or its use restricted in such manner as to substantially interfere with the use of the premises by Indirect Air Carrier. In the event the Airport is closed for a period of time by lawful authority or its use restricted in such manner as to substantially interfere with the use of the premises by Indirect Air Carrier or in the event Airport enters into an agreement with the United States Government which substantially interferes with the use of the premises by Indirect Air Carrier, no rent shall be payable during such period and Indirect Air Carrier may elect to terminate this Lease Agreement by thirty (30) days written notice to the Airport.

10. AIRPORT'S LIABILITY: Airport will not be liable to the Indirect Air Carrier, its agents, employees, or invitees on account of any injury or death to persons occurring on and about the demised premises during the term of this Lease, except if such damage, injury or death may be the direct result of the negligent acts or omissions of Airport or its agents or employees.

11. AIRPORT'S RESERVATIONS: Airport reserves the right to operate, maintain or develop the landing area and all publicly owned facilities of the Airport as it sees fit, regardless of the desires or views of Indirect Air Carrier; without interference or hindrance of Indirect Air Carrier; and, without being obligated to Indirect Air Carrier.

Airport reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Indirect Air Carrier from erecting, or permitting to be erected, any building or other structure on the Airport which, in the opinion of Airport, would limit the usefulness of the Airport or constitute a hazard to aircraft.

12. REMOVAL OF FIXTURES: Airport agrees that all signs and fixtures erected in or attached to premises by Indirect Air Carrier may be removed by Indirect Air Carrier at the termination of this Lease, providing such removal does not result in substantial damage to the premises and further provided that any damage resulting from such removal shall be repaired by Indirect Air Carrier.

13. QUIET ENJOYMENT: Airport covenants and agrees that upon payment of the rents herein provided and upon compliance with all of the other terms and conditions hereof, the Indirect Air Carrier may peacefully and quietly have, hold and enjoy the leased premises for the term hereinabove stated.

14. PASSENGER SERVICE REQUIREMENTS/PASSENGER FACILITY CHARGE: Indirect Air Carrier shall ensure that passenger service from the Airport is as required under the Certificate of Public Necessity and Convenience. Airport intends to continue its participation in the Passenger Facility Charge (PFC) Program and Indirect Air Carrier agrees to cooperate with Airport in assessing said charges.

15. LAW, ORDINANCES AND REGULATIONS: Indirect Air Carrier agrees that in its use of the leased premises it will comply with all present and future valid laws, ordinances, rules and regulations of the Federal Government, State of Michigan, County of Manistee, Township of Manistee, Manistee Blacker Airport Authority (as its rules are

reasonably promulgated), and agencies thereof relating to the occupancy or use of the leased premises and that it will not use the leased premises or allow them to be used for any illegal or unsafe purpose. Indirect Air Carrier will ensure that it, and any party with which it contracts, will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of Federal funds for this project including but not limited to the following:

### **Federal Legislation**

- a) Davis-Bacon Act - 40 U.S.C. 276(a), et seq.
- b) Federal Fair Labor Standards Act - 29 U.S.C. 201, et seq. Airport Assurances (9/99)
- c) Hatch Act - 5 U.S.C. 1501, et seq.
- d) Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 Title 42 U.S.C. 4601, et seq.
- e) National Historic Preservation Act of 1966 - Section 106 - 16 U.S.C. 470(f).
- f) Archeological and Historic Preservation Act of 1974 - 16 U.S.C. 469 through 469c.
- g) Native Americans Grave Repatriation Act - 25 U.S.C. Section 3001, et seq.
- h) Clean Air Act, P.L. 90-148, as amended.
- i) Coastal Zone Management Act, P.L. 93-205, as amended.
- j) Flood Disaster Protection Act of 1973 - Section 102(a) - 42 U.S.C. 4012a.1
- k) Age Discrimination Act of 1975 - 42 U.S.C. 6101, et seq.
- l) American Indian Religious Freedom Act, P.L. 95-341, as amended.
- m) Architectural Barriers Act of 1968 - 42 U.S.C. 4151, et seq.
- n) Power Plant and Industrial Fuel Use Act of 1978 - Section 403 - 42 U.S.C. 8373.
- o) Contract Work Hours and Safety Standards Act - 40 U.S.C. 327, et seq.
- p) Copeland Anti-kickback Act - 18 U.S.C. 874.
- q) National Environmental Policy Act of 1969 - 42 U.S.C. 4321, et seq.
- r) Wild and Scenic Rivers Act, P.L. 90-542, as amended.
- s) Single Audit Act of 1984 - 31 U.S.C. 7501, et seq.

### **Executive Orders**

Executive Order 11246 - Equal Employment Opportunity  
 Executive Order 11990 - Protection of Wetlands  
 Executive Order 11998 - Flood Plain Management  
 Executive Order 12372 - Intergovernmental Review of Federal Programs.  
 Executive Order 12898 - Environmental Justice

### **Federal Regulations**

- a) 14 CFR Part 13 - Investigative and Enforcement Procedures.
- b) 14 CFR Part 16 - Rules of Practice For Federally Assisted Airport Enforcement

Proceedings.

- c) 29 CFR Part 1 - Procedures for predetermination of wage rates.
- d) 29 CFR Part 3 - Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.
- e) 29 CFR Part 5 - Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).
- f) 41 CFR Part 60 - Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).
- g) 49 CFR Part 18 - Uniform administrative requirements for grants and cooperative agreements to state and local governments.
- h) 49 CFR Part 23 - Participation by Disadvantaged Business Enterprise in Airport Concessions.
- i) 49 CFR Part 24 - Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.
- j) 49 CFR Part 26 - Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
- k) 49 CFR Part 30 - Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.

16. SIGNS: Indirect Air Carrier agrees that any signs erected on Airport property shall conform to the Manistee County and Manistee Township Sign Ordinances and the promulgated rules of the Manistee County Blacker Airport Authority. Signs erected by Indirect Air Carrier, shall be at its expense and shall be erected only after written approval by the Airport Director, which shall not be unreasonably withheld. Indirect Air Carrier agrees to remove such signs at its expense, if it vacates the leased premises or if this Lease is terminated.

17. ASSIGNMENT OR SUB-LETTING: Indirect Air Carrier may not assign or transfer this Lease, or any interest herein, or sublet the leased premises or any part thereof, without prior written consent of Airport and any attempt to assign, transfer or sublet same without consent of Airport shall be void, and, at the option of Airport, deemed sufficient grounds for cancellation and termination of this Lease.

18. INDEMNITY AND INSURANCE AGAINST LIABILITY: Indirect Air Carrier shall provide adequate compensation insurance covering all of its employees sufficient to satisfy the requirements of the Worker's Compensation Act of the State of Michigan, and evidence of such coverage shall be submitted to the Airport Director. Indirect Air Carrier shall also procure and maintain, at its own expense, during the term of this Lease, Airport Liability insurance with at least the following limits: \$3,000,000 per occurrence Premises limit for bodily injury and property damage; \$3,000,000 Products and Completed Operations limit; \$1,000,000 Personal and Advertising Limit; \$1,000,000 Per Aircraft / \$1,000,000 per occurrence Hangarkeepers limit. Indirect Air Carrier agrees to include the Airport as an additional insured on each policy. Indirect Air Carrier further agrees to indemnify, defend and hold harmless and to protect the Airport and all its officers, agents, and representatives in their official capacity, from all loss, risk of loss (including expenses) sustained or incurred because of or by reason of any kind, including death or property damage arising out of or relating to Indirect Air Carrier's operations at the Manistee County Blacker Airport, unless caused by Airport's intentional or negligent acts. Airport agrees to indemnify, defend and hold harmless and to protect the Indirect Air Carrier and all its officers, agents, and representatives in their official capacity, from all loss, risk of loss (including expenses) sustained or incurred because of or by reason of any kind, including death or property damage, arising out of or relating the intentional or negligent acts of Airport.

The Indirect Air Carrier shall also furnish a certificate of insurance confirming the foregoing insurance coverages and provide thirty (30) days (10 days for nonpayment of premium) written notice to Airport prior to cancellation of same.

19. RIGHT OF ENTRY: Airport reserves the right for its officers, agents and representatives to enter upon the leased premises at any reasonable time and with reasonable notice for the purpose of making any inspection it may deem expedient to the proper enforcement of any of the conditions of this Lease Agreement.

20. DEFAULT: If Indirect Air Carrier defaults in payment of rent as herein provided and such default continues for sixty (60) days, or if either party fails to perform any covenant or condition of the Lease required to be performed by the other party, within sixty (60) days after written notice is submitted to either party of the nature of such breach, or if Indirect Air Carrier becomes insolvent, makes an assignment for the benefit of creditors or is adjudicated bankrupt, or a receiver is appointed for Indirect Air Carrier at its request, or Indirect Air Carrier abandons or vacates said leased premises before the end of the term, then, in any such event, it shall be lawful for Airport at any time thereafter to terminate this Lease Agreement in accordance with applicable Michigan law and statute.

21. SUBORDINATION: This Lease and Agreement shall be subject and subordinate to (a) any existing or future federal or state statute and/or any other governmental agency having jurisdiction over the leased premises, (b) any existing or future deed, lease or agreement between Airport and the United States or the State of Michigan relative to the development, construction, operation, or maintenance of Manistee County Blacker Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal or state funds for the development, construction, operation, or maintenance of said Airport. Provided, however, that in the event any such approval, deed, lease agreement or other conditions hereinbefore set forth in this paragraph restrict

Indirect Air Carrier's use of said premises as provided for in this Lease in such a manner as to interfere with the use of the premises by Indirect Air Carrier, no rent shall be payable during such period and Indirect Air Carrier may elect to terminate this Lease Agreement by thirty (30) days written notice to Airport.

22. COMPLIANCE WITH CIVIL RIGHTS ACT: Indirect Air Carrier, for itself, its successors and assigns, agrees to comply with the Civil Rights Act of 1964 (78 Stat 252) and the regulations of the Department of Transportation (439 CFR Part 21) issued pursuant to said Act, and as those statutes and regulations may be amended.

- a) Indirect Air Carrier assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, to insure that no person shall, on the grounds of race, creed, color, national origin, handicap or sex, be excluded from participating in any employment activities covered in this Lease, and that no person shall be excluded on the grounds from participation in or receiving the services or benefits of any program or activity covered herein. Indirect Air Carrier further assures that it will require that its covered suborganizations provide assurances to Indirect Air Carrier that they similarly will undertake affirmative action programs and that they will require assurances from their suborganizations, as required by 14 CFR Part 152, Subpart E, to the same effect.
- b) Indirect Air Carrier, pursuant to the requirements of Act 453, P.A. 1976, as amended, (Michigan Civil Rights Act) agrees not to discriminate against any employee or applicant for employment, to be employed in the performance of this Agreement with respect to their hire, tenure, terms, conditions or privileges or employment, or any matter directly or indirectly relating to employment, because

of his race, color, religion, national origin, ancestry, sex, height, weight, marital status, or age, except where a requirement as to age is based on a bona fide occupational qualification. Indirect Air Carrier further agrees that every sub-contract entered into for the performance of this Lease will contain a provision requiring non-discrimination in employment as herein specified.

23. AGREEMENT BINDING ON SUCCESSORS AND ASSIGNS: The covenants, conditions and agreement made and entered into by the parties hereto are declared binding on their respective successors and/or assigns.

24. FEDERAL AVIATION ACT: Nothing herein contained shall be construed to grant or authorize the granting of any exclusive right prohibited under the Federal Aviation Act of 1958, as amended.

25. HOLDING OVER: Except as otherwise herein provided, any holding over after the expiration of the original term of this Lease, or after the expiration of the extension or renewal thereof pursuant to the terms of this instrument, shall create no rights in said Indirect Air Carrier and no tenancy of any duration shall be created thereby.

26. TERMINATION: This Lease may be terminated by Airport or Indirect Air Carrier in accordance with the terms, covenants, conditions and agreements herein.

27. AGREEMENT TO HOLD-IN: In the event of termination of this Agreement and at the conclusion of the Agreement, the Airport and the Indirect Air Carrier agree to a "hold-in" period while the Airport and USDOT secure replacement services under either the Alternate Essential Air Service or Essential Air Service program. In the event of termination, both parties agree to provide written notice of termination to the USDOT, the Airport shall notify USDOT of its intent to remain in the Alternative Essential Air Service

Program or seek reinstatement in the Essential Air Service Program, Airport shall work with USDOT to secure replacement air service as soon as practical and Indirect Air Carrier will work with the replacement air carrier toward an acceptable transition date.

28. NOTICES: All notices or demands given or required to be given hereunder shall be in writing and sent by first class mail, postage prepaid, through the United States Postal System, addressed to the party to be affected at the addresses provided in the body of this Lease, provided that either party, by like written notice, may designate any different address to which subsequent notices shall be sent.

a) Notices to Public Charters, Inc. should be sent to:

Public Charters, Inc.  
201 Hangar Road  
Avoca, PA 18641

29. INCORPORATION OF GRANT AGREEMENT: Airport has or will be entering 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 is attached hereto as Exhibit "A", are incorporated into this Agreement by reference and if this Agreement conflicts in any manner with the Grant Agreement, the language, terms and conditions of the Grant Agreement shall control.

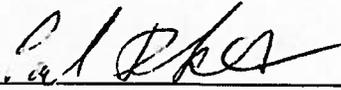
30. FORCE MAJEURE: This contract is subject to force majeure, and is contingent on strikes, accidents, acts of God, inability to secure labor, fire, or delays by suppliers or subcontractors beyond the control of the parties. If performance of this contract is prevented by any cause of force majeure, then this contract shall be void without penalty to either party for any such portion not delivered.

31. MODIFICATION OF AGREEMENT: This document constitutes the entire agreement between the parties hereto and may only be modified by mutual written agreement.

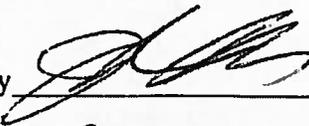
32. EXECUTION OF AGREEMENT: The individuals signing this Agreement on behalf of a party represent and warrant that they are duly authorized to execute the Agreement on behalf of such party and have full authority to bind such party to this Agreement. This Agreement may be signed in separate counterparts, each of which shall be deemed an original but when taken together shall be considered one Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this 24 day of July, 2014.

MANISTEE BLACKER AIRPORT  
AUTHORITY, a body corporate

By   
Paul Schulert  
Its: Board Chairman

Public Charters, Inc.

By   
Its: President

STATE OF MICHIGAN     )  
  ) SS:  
COUNTY OF MANISTEE    )

On this 24<sup>th</sup> day of July, 2014, before me, the undersigned, a Notary Public in and for said county, in the State aforesaid, personally appeared Paul Schulert, to me personally known, who, by me being duly sworn, did say that he is the Board Chairman of the Manistee Blacker Airport Authority, a body corporate, and that the said instrument was signed in behalf of the Airport by authority of

B-17

its Board of Directors, and said Board Chairman acknowledged said instrument to be the free act and deed of the Airport.

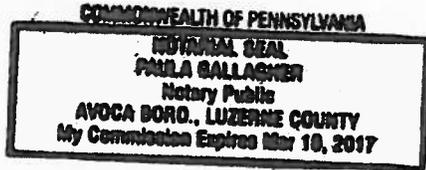
RACHEL NELSON  
Notary Public-State of Michigan  
County of Manistee  
My commission expires 08/09/2020  
Acting in the County of Manistee

*Rachel Nelson*

Notary Public, Manistee County, MI  
My commission expires:

STATE OF PA )  
 ) SS:  
COUNTY OF LUZERNE )

On this 5 day of AUGUST, 2012, before me, the undersigned, a Notary Public in and for said county, in the State aforesaid, personally appeared Tim Gallagher, to me personally known, who, by me being duly sworn, did say that he is the President of Public Charters, Inc., and that the said instrument was signed in behalf of the company by authority of its Board of Directors, and said Tim Gallagher acknowledged said instrument to be the free act and deed of the Company.



*Paula Gallagher*

Notary Public, LUZERNE County, PA  
My commission expires: 3/10/17

Prepared by:  
GOCKERMAN, WILSON, SAYLOR & HESSLIN, P.C.  
By: George V. Saylor, III (P37146)  
Attorneys at Law  
414 Water Street  
Manistee, MI 49660  
(231) 723-8333  
/Users/blind/Desktop/AEAS/P1/Public Charters Agreement-MBL Airport 2014-07-22.doc

Johnson Diversified Services, Inc.

312 W. North St.

Suite F

Mason, MI 48854

# Estimate

Date	Estimate #
7/20/2014	201316

Name / Address
Manistee County-Blacker Airport

Other
Demolition

Item	Description	Qty	Rate	Total
03-Site Work	Demo T- Hanger, dispose of materials, excluding concrete	1	3,000.00	3,000.00
03-Site Work	Demo old house and dispose of materials, excluding concrete	1	4,000.00	4,000.00
<b>Total</b>				57,000.00