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MANISTEE BLACKER AIRPORT AUTHORITY
COMMERCIAL AIRLINE SERVICE | GENERAL AVIATION | RENTAL SERVICES | FLIGHT SCHOOL
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MINUTES

Monday, July 20, 2020
12:00 P.M.

Manistee County Blacker Airport
Conference Room via Zoom

Members Present: Gerald Haw, Chair; Jeff Dontz; Philip Siuda; Mark Bergstrom; Andrew Gentile; Karen Goodman; and Barry Peterson

Members Absent: None

Others Present: Barry Lind, Airport Director; and Julie Schmeling, Airport Authority Recording Secretary; and Susan Zielinski, Airport Authority Treasurer

Gerald Haw, Chair, called the meeting to order at 12:03 P.M. Roll was taken by the Secretary.

The agenda was presented for approval. Under "New Business", there were three additional grant agreements to discuss and approve.

There was a motion by Mr.Dontz, supported by Mr. Bergstrom, to approve the meeting agenda with the addition under "New Business" of two (2) MDOT grant agreements and one (1) 2020 CARES Act Agreement.

A roll call vote was taken:

Yeas: 7 (Haw; Peterson; Siuda; Gentile; Bergstrom; Goodman; Dontz)

Nays: 0

Absent: 0 **Motion carried.**

There was no public comment.

The Chair 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, June 15, 2020.

There was a motion by Mr.Dontz, supported by Mr. Bergstrom, to approve the minutes of the Airport Authority regular meeting held on Monday, June 15, 2020.

A roll call vote was taken:

Yeas: 7 (Dontz; Gentile; Goodman; Haw; Peterson; Siuda; Bergstrom)

Nays: 0

Absent: 0 **Motion carried.**

The Authority reviewed the June 2020 Accounts Payable Report (APPENDIX A). Mr. Lind let the Board know that the expense for $44,000 was the final payment in the land acquisition and will be reimbursable.

There was a motion by Mr. Bergstrom, supported by Mr. Peterson, to approve the June 2020 Accounts Payable Report.

A roll call vote was taken:

Yeas: 7 (Haw; Peterson; Dontz; Siuda; Goodman; Gentile; Bergstrom)

Nays: 0

Absent: 0 **Motion carried.**

The Authority reviewed the June 2020 Financial Statement (APPENDIX B), which includes a Balance Sheet, a Statement of Revenue and Expenses, and a running account of the Passenger Facility Charges collected.

There was a motion by Mr.Dontz, supported by Mr. Haw to approve the June 2020 Financial Statement.

A roll call vote was taken:

Yeas: 7 (Dontz; Gentile; Goodman; Bergstrom; Haw; Peterson; Siuda)

Nays: 0

Absent: 0 **Motion carried.**

The Orchard Beach Aviation rent information was provided, as well as fuel sales for June 2020 (APPENDIX C).

The Executive Committee did not meet.

The Budget Committee did not meet.

The Capital Projects Committee did not meet.

Mr. Lind reported that there were no airport incidents. Manistee Blacker Airport was awarded $30,000 under the CARES Airport Grants. Mr. Lind is still monitoring the concerns with the EAS eligibility after this year. This topic will continue to be mentioned by Mr. Lind in his monthly report. Manistee Blacker Airport is not the only airport in this situation, and as of now there is no word that Congress plans to change anything. Mr. Lind presented a report on airfares which compares flights from Manistee, Traverse City, Grand Rapids, Muskegon, and Quincy, IL (APPENDIX D). Mr. Lind presented information on airplane passenger numbers for 2020 as well as the previous five years (APPENDIX E).

Marketing is currently advertising for summer service. Website redesign continues for Cape Air transition. Cape Air announcements are queued up and ready to be emailed to customers.

The Runway Resurfacing project is complete and the final paperwork is being processed to complete the grant.

The summer schedule is running smoothly. The Beech 1900 has joined the Ultimate Jet fleet. Summer flight numbers are following the national average. Over July 4th the numbers were about 50% of the prior year. Since then they are averaging about 25% of prior year. Customers do not seem to be booking too far in advance. It is common for bookings to occur the day of or the day before the scheduled flight. July numbers should be about 40% of prior year.

The final service award for the EAS Selection is expected any day now. Mr. Lind has had multiple conversations with DOT. The process has been slowed down by a letter that was sent by Boutique Air. (APPENDIX F) Boutique Air alleged inappropriateness in the bidding process from Cape Air and was requesting that the Cape Air bid be thrown away and then selection be from the remaining companies. Mr. Lind will continue discussions with Cape Air, but until DOT officially awards a contract, most things are on hold.

Jason Allen, State Director for USDA Rural Development in our area, recently visited Manistee Blacker Airport with Wayne Schmidt, State Senator. They encouraged applying for grants and loans, as they are both available through USDA.

Discussion continued regarding Mr. Arens Hangar transfer to the airport. An agreement was presented to the Board for approval. (APPENDIX G) Mr. Arens would owe his rent from December 1, 2019 through August 1, 2020 in the amount of $1,300. There are two parties that have shown interest in renting the hangar from the airport, but until it is owned by the airport no agreements can be made. The hangar would be received in as-is condition. Mr. Arens would have the use of a T-hangar rent free, but if T-hangars became full then Mr. Arens would have to pay rent. One change to the agreement is in

paragraph numbered 1, there was a duplicate of the word "payment" in the fifth line. One "payment" needs to be deleted.

There was a motion by Mr. Peterson, supported by Mr. Bergstrom to approve the Airport Hangar Lease and Hangar Transfer Agreement between Manistee Blacker Airport and Arens Investments.

A roll call vote was taken:

Yeas: 7 (Haw; Peterson; Siuda; Gentile; Bergstrom; Dontz; Goodman)

Nays: 0

Absent: 0 **Motion carried.**

The Authority next reviewed the proposed grant contract with MDOT, which is this year's $10,000 marketing grant (APPENDIX H).

There was a motion by Mr. Bergstrom, supported by Mr. Gentile, to approve the Michigan Air Service Program Grant Contract for Airport Authority or Eligible Governmental Agency Airport Awareness Projects, Contract No. 2020-0728, and to authorize the Airport Director to execute the contract.

A roll call vote was taken:

Yeas: 7 (Peterson; Bergstrom; Gentile; Haw; Goodman; Siuda; Dontz)

Nays: 0

Absent: 0 **Motion carried**

The Authority next reviewed the proposed Michigan Air Service Program Capital Improvement and Equipment Project grant. This will cover the remaining expenses of the PFAS testing equipment that was required to have hooked up to the firetruck. (APPENDIX I)

There was a motion by Mr. Bergstrom, supported by Mr. Haw, to approve the Michigan Air Service Program Capital Improvement and Equipment Project Grant, Contract No. 2020-0736, and to authorize the Airport Director to execute the contract.

A roll call vote was taken:

Yeas: 7 (Gentile; Siuda; Dontz; Goodman; Peterson; Bergstrom; Haw)

Nays: 0

Absent: 0 **Motion carried**

The Authority next reviewed the 2020 FAA CARES Act Agreement No. 3-26-SBGP-117-2020. (APPENDIX J) This grant money is to be used to offset operational expenses, and the airport will have two years to spend the grant money.

There was a motion by Mr. Bergstrom, supported by Mr. Siuda, to approve the 2020 FAA CARES Act Agreement No. 3-26-SBGP-117-2020 in the amount of $30,000, and to authorize the Airport Director to execute the contract.

A roll call vote was taken:

Yeas: 7 (Peterson; Haw; Siuda; Gentile; Dontz; Bergstrom; Goodman)

Nays: 0

Absent: 0 **Motion carried**

There being no further business to come before the Authority, the meeting was adjourned at 1:14 P.M.

Respectfully Submitted,

Jeff Dontz, Airport Authority Secretary

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APPENDIX A

MANISTEE COUNTY BLACKER AIRPORT

JUNE 2020 ACCOUNTS PAYABLE

VENDOR NAME	DESCRIPTION	AMOUNT
BARRY LIND	JUNE	$ 3,750.00
CONSUMERS ENERGY	MAY & PARTIAL JUNE	$ 1,142.16
A T & T	MAY 14 - JUNE 13, 2020	$ 43.57
DTE ENERGY	MAY 7 -JUNE 5, 2020	$ 623.50
ORCHARD BEACH AVIATION	SUPPLIES - JUNE (reimbursement of expenses)	$ 442.84
GILL-ROY'S HARDWARE	REPAIRS & MAINTENANCE	$ 96.96
COFESSCO FIRE PROTECTION	FIRE ALARM SYSTEM INSPECTION	$ 280.00
BLUE GLOBES, LLC	12-LAMPS 30W, ECT.	$ 128.97
GALAXY ELECTRIC INC.	REPAIR ON ALERTING & RELAY PHONE	$ 840.00
ROBERT ADAMCZAK	RELOCATION COSTS - LAND ACQUISTION	$ 44,134.44
	TOTAL	$ 51,482.44

ADVERTISING INVOICES	DESCRIPTION	AMOUNT
RIGHTSIDE DESIGN, LLC	MAY (reimbursement of expenses)	$ 850.00
ORCHARD BEACH AVIATION	JUNE (reimbursement of expenses)	$ 363.16
	TOTAL	$ 1,213.16

ORCHARD BEACH AVIATION	DESCRIPTION	AMOUNT
REGULAR HOURS	360 @ $18.15	$ 6,534.00
MAINTENANCE HOURS	149.50 @ $18.15	$ 2,713.43
PART 139 LABOR	Jun-20	$ 13,400.00
INTERNET		$ 49.50
TV SERVICE		$ 25.00
	TOTAL	$ 22,721.93

GRAND TOTAL $ 75,417.53

APPENDIX B

MANISTEE COUNTY BLACKER AIRPORT

JUNE 2020 REVENUE & EXPENSES

DESCRIPTION	ACTIVITY FOR MAY 2020 INCREASE (DECREASE)	ACTIVITY FOR JUNE 2020 INCREASE (DECREASE)	YTD BALANCE 10/01/19 TO 06/30/2020 NORMAL (ABNORMAL)	2019-20 ORIGINAL BUDGET	% BDGT USED
Fund 295 - AIRPORT AUTHORITY FUND					
Revenues					
FEDERAL GRANT - AEAS	264,264.00	249,018.00	1,659,454.50	2,990,575.00	55.5%
STATE REIMBURSEMENTS	0.00	0.00	22,106.00	18,000.00	122.8%
INTEREST EARNED	9.64	6.31	113.21	0.00	
OFFICE RENT	624.97	0.00	9,320.39	14,900.00	62.6%
LANDING FEES GENERAL AVIATION	40.32	0.00	221.76	2,100.00	10.6%
RENT AND LANDING FEES-PUBLIC CHARTERS	20,483.35	20,483.35	163,866.80	245,800.00	66.7%
HANGAR RENT	1,225.00	1,150.00	12,774.92	19,000.00	67.2%
CAR RENTAL FEES	712.81	0.00	1,082.49	4,750.00	22.8%
SIGN LEASE	2,700.00	900.00	3,600.00	4,000.00	90.0%
PASSENGER FACILITY CHARGES	0.00	5,904.00	5,912.78	25,000.00	23.7%
MISC. REVENUE	0.70	0.40	39.70	0.00	
FUEL SALES	1,402.40	1,407.29	6,757.93	13,000.00	52.0%
TRANSFER IN - GENERAL FUND	10,000.00	10,000.00	90,000.00	120,000.00	75.0%
PUBLIC CHARTERS MARKETING	0.00	2,500.00	7,500.00	10,000.00	75.0%
	301,463.19	291,369.35	1,982,750.48	3,467,125.00	57.2%
Expenditures					
MISC. SUPPLIES	0.00	625.84	3,240.57	2,000.00	162.0%
EQUIPMENT	0.00	0.00	4,741.78	6,600.00	71.8%
GAS AND OIL	648.64	0.00	3,780.24	6,500.00	58.2%
CONTRACTED SERVICES	241.75	0.00	787.30	1,200.00	65.6%
CONTRACTED SERVICES - AUDIT	0.00	0.00	5,875.00	7,800.00	75.3%
CONTRACTUAL - PUBLIC CHARTERS	264,264.00	249,018.00	1,659,454.50	2,990,575.00	55.5%
CONTRACTED SERVICES - MANAGEMENT	3,750.00	3,750.00	30,000.00	45,000.00	66.7%
CONTRACTED SERVICES - MAINT.	20,932.26	22,266.28	168,750.87	258,500.00	65.3%
ATTORNEY FEES	0.00	0.00	1,600.00	2,500.00	64.0%
DUES AND FEES	0.00	0.00	242.30	1,000.00	24.2%
TELEPHONE	43.44	43.57	349.02	540.00	64.6%
TRAVEL	0.00	0.00	0.00	500.00	0.0%
TRAINING-FIRE FIGHTER	0.00	6,500.00	6,500.00	6,500.00	100.0%
ADVERTISING	1,179.45	1,124.14	10,339.64	30,000.00	34.5%
LIABILITY INSURANCE	0.00	0.00	18,560.65	17,800.00	104.3%
UTILITIES	2,290.56	1,771.29	18,873.39	26,000.00	72.6%
LAND ACQUISTION	0.00	44,134.44	44,134.44	0.00	
REPAIRS & MAINTENANCE	1,368.04	537.21	26,028.60	25,000.00	104.1%
MISC. EXPENSE	0.00	0.00	0.00	1,000.00	0.0%
MISC. EXPENSE - PFC	0.00	0.00	25,808.50	33,971.00	76.0%
MISC EXPENSE - MCGUINEAS DRAIN	0.00	0.00	4,139.39	4,139.00	100.0%
	294,718.14	329,770.77	2,033,206.19	3,467,125.00	58.6%
TOTAL REVENUES	301,463.19	291,369.35	1,982,750.48	3,467,125.00	57.2%
TOTAL EXPENDITURES	294,718.14	329,770.77	2,033,206.19	3,467,125.00	58.6%
NET OF REVENUES & EXPENDITURES	6,745.05	(38,401.42)	(50,455.71)		

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MANISTEE COUNTY BLACKER AIRPORT

TRAIL BALANCE AS OF 06/30/2020

DESCRIPTION	END BALANCE 06/30/2020 NORMAL (ABNORMAL)
Assets	
CASH	(134,532.92)
LIQUID ASSETS - PFC ACCOUNT	120,222.14
LIQUID ASSETS - AEAS	645.81
	(13,664.97)
Fund Equity	
FUND BALANCE	37,141.10
	37,141.10
Revenues	
FEDERAL GRANT - AEAS	1,659,454.50
STATE REIMBURSEMENTS	22,106.00
INTEREST EARNED	113.21
OFFICE RENT	9,320.39
LANDING FEES GENERAL AVIATION	221.76
RENT AND LANDING FEES-PUBLIC CHARTERS	163,866.80
HANGAR RENT	12,774.92
CAR RENTAL FEES	1,082.49
SIGN LEASE	3,600.00
PASSENGER FACILITY CHARGES	5,912.78
MISC. REVENUE	39.70
FUEL SALES	6,757.93
TRANSFER IN - GENERAL FUND	90,000.00
PUBLIC CHARTERS MARKETING	7,500.00
	1,982,750.48
Expenditures	
MISC. SUPPLIES	3,240.57
EQUIPMENT	4,741.78
GAS AND OIL	3,780.24
CONTRACTED SERVICES	787.30
CONTRACTED SERVICES - AUDIT	5,875.00
CONTRACTUAL - PUBLIC CHARTERS	1,659,454.50
CONTRACTED SERVICES - MANAGEMENT	30,000.00
CONTRACTED SERVICES - MAINT.	168,750.87
ATTORNEY FEES	1,600.00
DUES AND FEES	242.30
TELEPHONE	349.02
TRAINING-FIRE FIGHTER	6,500.00
ADVERTISING	10,339.64
LIABILITY INSURANCE	18,560.65
UTILITIES	18,873.39
LAND ACQUISITION	44,134.44
REPAIRS & MAINTENANCE	26,028.60
MISC. EXPENSE - PFC	25,808.50
MISC EXPENSE - MCGUINEAS DRAIN	4,139.39
	2,033,206.19
Total - All Funds:	(26,979.58)

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PASSENGER FACILITY CHARGES RECEIVED THROUGH 06/30/2020		
	EXPENSES PRIOR TO 10/2017	$ 228,725.69
	TREEWORKS, INC - TREE REMOVAL 11/2017	$ (104,534.85)
	PREIN & NEWHOF - LAND ACQUISITION 12/2017	$ (7,600.00)
	PREIN & NEWHOF - TREE CLEARING 12/2017	$ (8,669.55)
	TREEWORKS, INC - TREE REPLACEMENT 12/2017	$ (2,386.90)
	PREIN & NEWHOF - LAND ACQUISITION 3/2018	$ (618.75)
	NORTHWOODS PRODUCTS - HANGAR DOOR ROLLERS ETC 4/2018	$ (10,697.45)
	PREIN & NEWHOF - LAND ACQUISITION 4/2018	$ (750.00)
	FOLDTITE - HANGAR DOOR 5/2018	$ (15,309.00)
	STATE OF MICHIGAN - GRANT MATCH 7/2018	$ (3,342.86)
	STATE OF MICHIGAN - GRANT MATCH 8/2018	$ (1,350.00)
	PREIN & NEWHOF - LAND ACQUISITION 9/2018	$ (4,200.00)
	PREIN & NEWHOF - LAND ACQUISITION 10/2018	$ (3,836.92)
	PREIN & NEWHOF - PHASE II ENVIRONMENTAL 11/2018	$ (616.00)
	NORTHWOODS PRODUCTS - INSTALL NEW HANGAR DOOR 11/2018	$ (6,310.00)
	PREIN & NEWHOF - SETTLEMENT/PHASE II/CLOSING/RELOCATION	$ (5,275.00)
	MANISTEE CO. TREASURER - LAND ACQUISITION PROP TAXES 3/2019	$ (15,281.53)
	PREIN & NEWHOF - PHASE II & RELOCATION ASSISTANCE 12/2019	$ (246.03)
	PREIN & NEWHOF - PHASE II & RELOCATION ASSISTANCE 2/2020	$ (1,786.50)
	STATE OF MICHIGAN - PFC EXPENSE	$ (927.50)
	EAGLE VILLAGE-LEAP - FIREFIGHTING FOAM TESTING EQUIPMENT (03/20)	$ (2,775.00)
PFC FUNDS AVAILABLE*		$ (22,106.00)
		$ 10,105.86

APPENDIX C

ORCHARD BEACH AVIATION

June 2020

RENT

OFFICE	$443.71	
FUEL	$1892.00	
LANDING FEES		
TWIN	$0.00	(0 @ $10.08)
JET	$362.88	(18 @ $20.16)
DAILY HANGERS	$67.50	(3 @ $22.50)
VENDING	$3.10	(10% of $31.00)
T-SHIRT SALES	$0.00	(0 @ $12.00)
TOTAL	$2769.19	

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FUEL SALES JUNE 2020

100LL	1053.3 Gal
JET	11560.0 Gal
TOTAL	12613.3 Gal
General	3760.5 Gal @ .15 = $564.08
PublicCharters	8653.6 Gal @ .15 = $1298.04
Orchard Beach	199.2 Gal @ .15 = $29.88
DIESEL FUEL	0.0 Gal @ $1.14 = $0.00

APPENDIX D

August Travel as of 7/19/2020

Best Fares

	MBL	TVC	GRR	MKG	UIN
Atlanta (ATL)	248 WN	**164** DL	179 AA	293 UA	180 AA
Boston (BOS)	248 WN	180 AA	**161** AA	293 UA	180 AA
Chicago (MDW or ORD)	158 P1	197 AA	**97** UA	158 UA	138 AA
Dallas (DFW)	248 WN	**164** AA	184 AA	293 UA	182 AA
Denver (DEN)	248 WN	197 UA	**182** UA	281 UA	182 AA
Houston (HOU)	248 WN	**180** AA	223 AA	293 UA	180 AA
Kansas City (MCI)	256 WN	176 AA	**153** AA	191 UA	369 AA
Las Vegas (LAS)	248 WN	202 AA	**179** AA	268 UA	180 AA
Los Angeles (LAX)	276 WN	202 AA	**179** AA	293 UA	180 AA
Minneapolis (MSP)	260 WN	182 AA	**175** AA	243 UA	180 AA
New York Area (NYC)	410 WN	164 DL	**163** AA	286 UA	180 AA
Orlando (MCO)	248 WN	**164** AA	173 AA	211 UA	180 AA
Philadelphia (PHL)	248 WN	**174** AA	189 AA	286 UA	180 AA
Phoenix (PHX)	376 WN	202 AA	**201** AA	241 UA	180 AA
Portland (PDX)	430 WN	204 AA	**182** AA	388 UA	204 AA
San Diego (SAN)	248 WN	202 AA	**179** AA	293 UA	182 AA
San Francisco (SFO)	400 WN	202 AA	**179** AA	293 UA	202 AA
Seattle (SEA)	286 WN	204 AA	**182** AA	265 UA	204 AA
St Louis (STL)	256 WN	156 AA	**103** AA	193 UA	78 AA
Washington DC Area (WA	316 WN	176 AA	**106** WN	243 UA	180 AA
Average Fare	$282.80	$184.60	$168.45	$265.25	$186.05
Change from one month	-$112.75	-$104.60	-$84.55	-$54.15	-60.2
Change from two months	-$17.70	-$496.65	-$66.20	-$401.55	-$102.35

Fares Pulled 7/19/2020 for travel 8/18/2020 – 8/25/2020

Best Fares +7 days parking

	MBL	TVC	GRR	MKG
Atlanta (ATL)	248 WN	**220** DL	249 AA	363 UA
Boston (BOS)	248 WN	236 AA	**231** AA	363 UA
Chicago (MDW or ORD)	**158** P1	253 AA	167 UA	228 UA
Dallas (DFW)	248 WN	**220** AA	254 AA	363 UA
Denver (DEN)	**248** WN	253 UA	252 UA	351 UA
Houston (HOU)	248 WN	**236** AA	293 AA	363 UA
Kansas City (MCI)	256 WN	232 AA	**223** AA	261 UA
Las Vegas (LAS)	**248** WN	258 AA	249 AA	338 UA
Los Angeles (LAX)	276 WN	258 AA	**249** AA	363 UA
Minneapolis (MSP)	260 WN	**238** AA	245 AA	313 UA
New York Area (NYC)	410 WN	**220** DL	233 AA	356 UA
Orlando (MCO)	248 WN	**220** AA	243 AA	281 UA
Philadelphia (PHL)	248 WN	**230** AA	259 AA	356 UA
Phoenix (PHX)	376 WN	**258** AA	271 AA	311 UA
Portland (PDX)	430 WN	260 AA	**252** AA	458 UA
San Diego (SAN)	**248** WN	258 AA	249 AA	363 UA
San Francisco (SFO)	400 WN	258 AA	**249** AA	363 UA
Seattle (SEA)	286 WN	260 AA	**252** AA	335 UA
St Louis (STL)	256 WN	212 AA	**173** AA	263 UA
Washington DC Area (WA	316 WN	232 AA	**176** WN	313 UA
Average Fare	$282.80	$240.60	$238.45	$335.25
Change from one month	-$112.75	-$104.60	-$84.55	-$54.15
Change from two months	-$17.70	-$496.65	-$66.20	-$401.55

Parking Fees for one week are $0 at Manistee, $56 at Traverse City, $70 at Grand Rapids, $70 at Muskegon

APPENDIX E

Manistee County Blacker Airport

Enplaned/Deplaned

	2015		2016		2017		2018		2019		2020	
	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total	Out/In	Total
Jan	188/162	350	218/185	403	228/211	439	246/192	438	255/203	455	75/59	134
Feb	207/191	398	226/219	445	243/231	474	180/158	338	195/187	382	94/78	172
Mar	217/216	433	247/240	487	289/268	557	326/306	632	261/253	514	44/64	108
Apr	240/254	494	258/254	512	259/286	545	220/237	457	221/240	461	1/10	11
May	346/356	718	327/331	658	411/430	841	333/351	684	313/312	625	20/19	39
Jun	406/478*	912*	427/496	923	445/567	1013	469/555	1024	361/413	774	**113/166**	**279**
Jul	1016/1050*	2066*	787/762	1549	849/793	1642	890/891	1781	654/699	1353		
Aug	889/787*	1676*	740/668	1408	778/742	1520	752/787	1539	694/728	1422		
Sep	390/378	768	458/445	903	488/463	951	383/275	658	315/201	516		
Oct	349/346	695	378/353	731	392/365	757	334/312	646	381/375	756		
Nov	249/266	515	314/322	636	328/341	669	327/290	617	182/194	376		
Dec	291/295	586	349/358	707	330/361	691	314/328	642	273/250	523		
Total		9611		9362		10099		9456		8157		743

Ontime Performance

	2015		2016		2017		2018		2019		2020	
	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime	Cancel/Delay	Ontime
Jan	2%/27%	71%	4%/13%	83%	0%/24%	76%	0%/9%	91%	11%/6%	83%	52%/2%	46%
Feb	9%/9%	82%	2%/22%	76%	0%/8%	92%	6%/25%	69%	25%/0%	75%	35%/2%	63%
Mar	0%/9%	91%	0%/13%	87%	0%/7%	93%	2%/20%	78%	0%/13%	87%	10%/0%	90%
Apr	3%/5%	92%	0%/13%	87%	0%/6%	94%	10%/15%	75%	0%/6%	94%	0%/0%	100%
May	0%/18%	82%	9%/20%	71%	0%/11%	89%	6%/16%	78%	0%/4%	96%	0%/2%	98%
Jun	0%/13%	87%	3%/17%	80%	5%/17%	78%	0%/13%	87%	2%/9%	89%	**5%/0%**	**95%**
Jul	0%/32%	68%	3%/21%	76%	3%/44%	53%	0%/6%	94%	1%/7%	92%		
Aug	0%/14%	86%	2%/24%	74%	3%/17%	80%	1%/6%	93%	0%/4%	96%		
Sep	0%/16%	84%	8%/15%	77%	1%/21%	78%	0%/9%	91%	2%/21%	77%		
Oct	0%/2%	98%	0%/8%	92%	0%/11%	89%	0%/7%	93%	2%/34%	64%		
Nov	0%/15%	85%	0%/25%	75%	0%/13%	87%	0%/9%	91%	3%/79%(19%)	%(78%)		
Dec	5%/19%	76%	3%/23%	74%	7%/49%	44%	0%/12%	88%	3%/97%(12%)	%(85%)		

APPENDIX F

BOUTIQUE AIR

July 1, 2020

Kevin Schlemmer
Chief, Essential Air Service Program
U.S. Department of Transportation
1200 New Jersey Ave, SE
Washington, D.C. 20590:

RE: EAS Bid Process Interference by Non-bidding Airline

I am writing today on behalf of Boutique Air to both express our concern regarding American Airlines letter of support for Cape Air in the EAS market of Manistee, MI and to request appropriate action.

We believe the involvement of non-competing airlines during the EAS selection creates a misleading and unfair perception of competing contenders for a specific EAS bid selection. We also believe the Department has the authority to assess and take action against such unfair airline practices per 49 U.S.C. §41712.

Instead of a normal bidding process by which qualified airlines are submitting their proposals with their subsequent evaluation by the local governing body, what transpired was something different. We have a situation where small airlines bid for the Manistee EAS contract, but a comparatively gigantic airline, American Airlines, has publicly put its support behind one of the small airlines--specifically, Cape Air. This is anti-competitive cooperation between airlines.

The problem comes down to the fact that a company that is nearly 100 years old with revenues over 400 times those of the smaller bidding carriers has used its standing as a major airline brand to interfere with a process that should be conducted independently based on the proposals and presentations of the airlines that actually submitted bids. American Airlines and Cape Air have effectively engaged in what amounts to open collusion by AA putting it's tremendously powerful brand and stamp of approval on a company that is less than one percent of its size. Inevitably, such an action has a significant impact on decision makers.

This support letter, dated April 27, 2020, was conveniently submitted to the DOT before the Manistee Airport Commission voted on the decision of which airline to recommend. I will contend that this letter had a significant impact on the board; I know the board was aware of the letter because I discussed it with the airport manager at length as well the lack of a letter from the Boutique Air codeshare partner, United Airlines.

Once the vote had occurred in Cape Air's favor the Airport Manager personally conveyed to me that it was a very difficult decision for the board to make and they deliberated over it for a long time. I have no doubt that it was was a difficult decision because Boutique Air, which flies pressurized aircraft that are more appropriate for the extreme temperatures and weather in the region would be indeed be the more appropriate aircraft for the trip to Chicago; numerous concerned individuals have pointed this out in letters to the DOT since the recommendation was made by the Airport Board. Even more importantly, however, is

the fact that Boutique Air is a United Airlines codeshare partner and the flights of the proposals being considered are all going to Chicago O'Hare International Airport–United Airlines largest hub and headquarters location. If there were a natural choice, The United Airlines partner would be the one.

The stamp of approval by American Airlines combined with the lack of a similar endorsement by United Airlines of the Boutique Air proposal was inevitably going to raise questions as to the relationship and real support that United Airlines has for its codeshare partner, Boutique Air.

In light of what has transpired I, on behalf of Boutique Air, am requesting that the Cape Air proposal be eliminated from consideration due to the irrevocable interference of their codeshare partner in the community recommendation process. A non-bidding major airline with one of the biggest and oldest brands in the United States has no place in the bid process of an Essential Air Service market other than to verify that an interline or codeshare partnership is legitimate. Anything more than such participation is open collusion and prevents proper competition between the airlines that have bid, adversely impacting both competitors as well as consumers.

Sincerely,

Shawn Simpson
CEO
Boutique Air

APPENDIX G

Airport Hangar Lease and Hangar Transfer Agreement

This Lease and Transfer Agreement is between the Manistee Blacker Airport Authority, a body corporate under the provisions of Act 206, Public Acts of 1957, as amended, of the State of Michigan, of 2323 Airport Road, Manistee, Michigan 49660, hereinafter referred to as the "Authority" and Arens Investments, a Michigan Co-Partnership, of 2110 Crescent Beach Rd., Manistee, MI 49660, which is hereinafter referred to as the "Lessee."

1. The Authority currently leases to the Lessee the below described real estate located at the Manistee County Blacker Airport and upon which Lessee has located and owns an airport hangar. The lease is dated July 20, 1999 between the County of Manistee and Lessee, which is now an asset of Authority as owner of said real estate, and provides for a term of 34 and 1/2 years, expiring on the 30th day of November 2033, with annual payments payments of, initially, $1,444.80. The property which was leased pursuant to said lease is described as being in the Township of Manistee, County of Manistee, State of Michigan, to-wit:

   A parcel of land located in the Southeast Quarter, (SE1/4) of the Southwest Quarter (SW1/4) of Section Twenty-eight (28), Township Twenty-two (22) North, Range Sixteen (16) West, described as commending at the South Quarter Corner of Section Twenty-eight (28), thence North 84°44'05" West along the South Section Line 190 feet, thence North 03°33'00" East 498 feet to the point of beginning, thence North 86°27'00" West 86 feet, thence North 03°33'00" East 112 feet, thence South 86°27'00" East 86 feet, thence South 03°33'00" West 112 feet to the point of beginning, containing 9,632 square feet.

2. The Authority and Lessee have agreed to release Lessee from all obligations under the July 20th, 1999 lease effective August 1, 2020. Lessee shall be responsible for a pro rata portion of the rent owing from December 1, 2019 through August 1, 2020, which amount is $1300 and is due August 1, 2020. The Authority further agrees that until August 1, 2020 Lessee shall have the right

to sublet the property leased under the July 20, 1999 lease and that this Agreement shall constitute the Authority's written approval to the sublease as required under Paragraph 4. (a) of the July 20, 1999 lease.

3. The Authority further leases to the Lessee, T-Hangar - 9 located at the Manistee County Blacker Airport through November 30, 2033. Lessee's initial payment for said Lease is the agreement to transfer to the Authority, on August 1, 2020, the hangar currently located on the property described in Paragraph 1, above. Lessee represents that it has clear title to said hangar with full authority to transfer ownership to the Authority.

4. Lessee's right to occupy T-Hangar – 9 without monthly rental payment is contingent upon the Authority having vacant hangar space at the Manistee County Blacker Airport. Should the Authority lease all available hangars, it shall notify Lessee in writing that Lessee shall either (1) pay rent in accordance with the then applicable rental charges for hangars equivalent to T-Hangar – 9; or (2) this Lease Agreement and Lessee's right of occupancy shall terminate. Lessee shall have 14-days after receipt of notice pursuant to this paragraph to notify the Authority in writing of the election to continue occupancy of T-Hangar – 9, in which case rent for said hangar shall be paid by Lessee on a monthly basis in accordance with the then applicable rental charges for hangars equivalent to T-Hangar – 9. A late fee of twenty (20%) percent of the monthly rental amount will be imposed for any rental payment that is not received by the Authority when due. If Lessee does not notify the Authority in writing of the intent to retain possession of T-Hangar – 9, its tenancy shall terminate and it shall have 30-days to vacate T-Hangar – 9.

5. The Authority is responsible for the payment of utilities in relation to T-Hangar – 9.

6. The Lessee hereby acknowledges that it has inspected T-Hangar – 9, and that it is aware of and accepts it in its current condition, and agrees that it will not alter or change the hangar or injure or damage the hangar. Lessee further agrees in consideration of the Authority's leasing the hangar to it, that it will save the Authority harmless from any loss or damage caused because of the

condition of the hangar, and that it will save the Authority harmless from any loss or damage to its person or property or for any injury or damage to other persons using the hangar. Lessee agrees that it shall assume all responsibility to insure its property stored in the hangar and assumes all liability for damage to said property or personal injury to Lessee and its guests and shall hold harmless the Authority from all said liability.

7. Lessee agrees that it will not sublet any part or portion of T-Hangar - 9, nor will it sell or assign this lease agreement or its rights hereunder, without the prior written consent of the Authority.

8. Lessee agrees to abide by any rule or regulation of the Authority or any State, local or Federal Agency, in regard to its use of said hangar or its airplane at the airport, and Lessee further agrees that any law, rule or regulation of the Authority or any State, local or Federal Agency shall be considered as incorporated herein and a part of this lease agreement as if such laws, rules and regulations were repeated here verbatim.

9. To the extent permitted, Lessee agrees to grant to the Authority a garage keeper's lien as security for any unpaid rental obligation provided herein as may be authorized by the Aeronautics Code of the State of Michigan, MCL 259.205 et seq. Lessee further agrees and acknowledges that the Authority shall have the rights and privileges of an "owner" as set forth in the Michigan Self-Service Storage Facility Act, being MCL 570.521 et seq.

10. This Agreement constitutes the entire understanding between the parties and there are no oral agreements and/or representations and this Agreement may not be modified except by another suitable instrument in writing signed by the parties hereto.

11. This Agreement shall be construed in accordance with the laws of the State of Michigan.

12. The above terms and conditions shall inure to the benefit of and are binding upon the heirs, executors, administrators, successors and assigns of the respective parties.

13. When applicable, pronouns and relative words shall be read as plural, feminine or neuter, respectively.

14. The parties acknowledge that this Agreement has been prepared by George V. Saylor, III of Mika Meyers, PLC for and on behalf of the Authority and that while Mika Meyers, PLC has an attorney-client relationship with both the Authority and Lessee any conflict of interest that may exist as a result of those relationships are hereby waived.

NOTICE TO LESSEE: If you fail to make your required payments, you will have to vacate the hangar or your property may later be sold at a public sale. Before the sale, you will be notified by first-class mail or by electronic mail of the amount due. The notice will be mailed to your last known address. In order to preserve your right to be notified, it is important that you notify the Authority in writing of any change in your mailing address. Also, you should supply the Authority with the name and address of another person who can reach you if you are not at your mailing address, and the Authority will notify that person at the same time and in the same manner as it notifies you.

Dated:_____

Manistee County Blacker Airport Authority

By:_____

Arens Investments, a Michigan Co-Partnership,

Lessee

Dated:_____

By:_____,

APPENDIX H

CONTRACT NO. 2020-0728

MICHIGAN AIR SERVICE PROGRAM GRANT CONTRACT

FOR

AIRPORT AUTHORITY OR ELIGIBLE GOVERNMENTAL AGENCY

AIRPORT AWARENESS PROJECTS

This Contract is made and entered into this date of _____ by and between the Michigan Department of Transportation (MDOT) and Manistee Blacker Airport Authority (AGENCY) for the purpose of MDOT assisting the AGENCY with cooperative airport awareness efforts.

The parties agree that:

1. DEFINITIONS

As used in this Contract:

GUIDELINES	-	Means the Michigan Air Service Program Guidelines, dated November 2016, as approved on November 9, 2016, incorporated herein by reference.
OFFICE	-	Means the MDOT Office of Aeronautics.
PLAN	-	Means the cooperative Airport Awareness Activity Plan to be submitted by the AGENCY and approved in writing by MDOT in accordance with the GUIDELINES.
PROJECT	-	Means the preparation of the PLAN and the performance of the work set forth in the approved PLAN.

2. PURPOSE

This Contract sets forth a grant from MDOT to the AGENCY for the purpose of performing or causing to be performed the PROJECT.

The AGENCY will begin, carry on, and complete the PROJECT with all practical dispatch in a sound, economical, and efficient manner and in accordance with the provisions of this Contract and with all applicable laws.

The AGENCY will initiate and prosecute to completion all proceedings necessary to enable the AGENCY to commit its share of the PROJECT costs at or prior to the time that such funds are needed to meet PROJECT commitments.

3. FUNDING

The PROJECT cost participation is estimated to be as shown below:

Maximum MDOT Funds (90%) $10,000.00
Estimated AGENCY Funds (10%) $1,111.00
Estimated Total PROJECT Cost $11,111.00

The amount of MDOT funds shown above is MDOT's maximum obligation for funds for the PROJECT. The maximum amount of MDOT funds and/or the percentage share shown herein will not be increased without the award of a prior written amendment to this Contract by the parties. Payments to the AGENCY under this Contract will be subject to the availability of sufficient funds as certified by MDOT.

MDOT funds in this Contract made available through legislative appropriation are based on projected revenue estimates. MDOT may reduce the amount of this Contract if the revenue actually received is insufficient to support the appropriation under which this Contract is made.

4. ELIGIBLE PROJECT COSTS

a. Eligible PROJECT costs are limited to (1) the costs of the PROJECT items and activities shown in the approved PLAN, subject to the provisions of the GUIDELINES; and (2) PLAN preparation costs incurred after the award of this Contract and prior to the approval of the PLAN (if a consultant is used in accordance with the GUIDELINES), up to three percent (3%) of the PROJECT total.

b. AGENCY administrative costs and in-kind services of AGENCY staff are not eligible PROJECT costs.

c. Any costs incurred prior to the award of this Contract will not be eligible for MDOT participation.

d. Any costs incurred in the performance of the PROJECT prior to the written approval of the PLAN by MDOT will not be eligible for MDOT participation.

e. The AGENCY agrees that the costs reported to MDOT for this Contract will represent only those items that are properly chargeable in accordance with this Contract. The AGENCY also certifies that it has read the Contract terms and has made itself aware of the applicable laws, regulations, and terms of this Contract that apply to the reporting of costs incurred under the terms of this Contract.

5. PAYMENTS

In order to receive funds under this Contract, the AGENCY must:

a. Submit progress billings to the OFFICE for payment at least quarterly. The grant amount will be provided to cover allowable costs as indicated in the approved PLAN.

b. Within sixty (60) days after PROJECT completion or termination, the AGENCY will submit to MDOT a billing designated as "Final Billing" to be charged against the Contract, with supporting documentation to substantiate the request for payment. Upon written request by the AGENCY to MDOT within the sixty (60) day period, which request will include documentation of the circumstances that prevent timely submissions of all billings that support the final billing, MDOT may, in writing, extend the sixty (60) day period to a date certain. If the AGENCY fails to provide all billings and supporting documentation for the final billing sixty (60) days after the date of PROJECT completion or termination, or before or upon the extended date certain established by MDOT, MDOT may elect not to accept any further billings, regardless of whether or not the costs are otherwise allowable under this Contract.

c. Reimbursement of any costs pursuant to this section will not constitute a final determination by MDOT of the allowability of such costs and will not constitute a waiver by MDOT of any violation of the terms of this Contract committed by the AGENCY. The final cost for services performed under this Contract will be determined only after completion of an audit by MDOT pursuant to the terms of Section 8 hereof. The provisions of this section will be included in all subcontracts relating to this Contract.

6. TERMINATION OR SUSPENSION

For any reason, MDOT may, by thirty (30) days written notice to the AGENCY, suspend any or all of the rights and obligations under this Contract until such time as the event or condition resulting in such suspension has ceased or been corrected, or MDOT may, by thirty (30) days written notice to the AGENCY, terminate any or all of the rights and obligations under this Contract.

In the event that termination by MDOT is necessitated by any wrongful breach, failure, default, or omission by the AGENCY, MDOT will be entitled to pursue whatever remedy is available to it, including, but not limited to, withholding funds or setting-off against funds owed to the AGENCY under this Contract, as well as any other existing or future contracts between the AGENCY and MDOT for any and all damages and costs incurred or sustained by MDOT as a result of its termination of this Contract due to the wrongful breach, failure, default, or omission by the AGENCY.

7. ACCOUNTING RECORDS AND DOCUMENTATION

a. The AGENCY will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Contract (RECORDS). Separate accounts will be established and maintained for all costs incurred under this Contract.

b. Audit and Inspection: The AGENCY will comply with the provisions of 1951 PA 51; MCL 247.660h.

c. The AGENCY will maintain the RECORDS for at least three (3) years from the date of final payment made by MDOT under this Contract. In the event of a dispute with regard to the allowable expenses or any other issue under this Contract, the AGENCY will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

d. MDOT or its representative may inspect, copy, scan, or audit the RECORDS at any reasonable time after giving reasonable notice.

e. If any part of the work is subcontracted, the AGENCY will assure compliance with subsections (a), (b), (c), and (d) above for all subcontracted work.

8. AUDIT AND REPAYMENT

In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Contract or questions the allowability of an item of expense, MDOT will promptly submit to the AGENCY a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the AGENCY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the AGENCY will (a) respond in writing to the responsible Bureau or Office of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense (RESPONSE). The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the AGENCY may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the Contract. The AGENCY agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the AGENCY, the AGENCY will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If the AGENCY fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the AGENCY agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the AGENCY under this Contract, or any other agreement, or payable to the AGENCY under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The AGENCY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the AGENCY in a timely filed RESPONSE.

9. THIRD-PARTY CONTRACT PROCEDURES

a. The AGENCY will not sublet any portion of the Contract without the prior written approval of MDOT, and any subcontracts will include all applicable provisions of this Contract.

All subcontracts, including amendments, in excess of Twenty-Five Thousand Dollars ($25,000.00) will be submitted to and approved by MDOT prior to being signed by the AGENCY. The AGENCY will not enter into multiple subcontracts of lesser amounts for the purpose of avoiding such approval process.

Approval of said contracts is given solely for the purposes of MDOT. Approval does not constitute an assumption of liability, a waiver, or an estoppel to enforce any of the requirements of this Contract, nor will any such approvals by MDOT be construed as a warranty of the third party's qualifications, professional standing, ability to perform the work being subcontracted, or financial integrity.

b. PROJECT Related Procurement Documents: The AGENCY will submit to the OFFICE copies of the following procurement documents:

i. Invitations for Bids (IFBs) - to be submitted by the AGENCY upon distribution.

ii. Amendments to the above - to be submitted by the AGENCY prior to distribution.

c. Competitive Bidding: The AGENCY:

i. Will document competitive quotations utilizing local procurement procedures for third-party contractual agreements of Twenty-Five Thousand Dollars ($25,000.00) and under.

ii. Will advertise for competitive bids on third-party contractual agreements over Twenty-Five Thousand Dollars ($25,000.00), except for contracts for professional and consulting services.

iii. Will solicit proposals from an adequate number of sources to permit reasonable competition for contracts for professional and consulting services over Twenty-Five Thousand Dollars ($25,000.00).

iv. May award a contract to a responsible bidder other than the lowest in price, provided that appropriate provision for such action is included in the IFB upon which bids are invited. Justification of such selection will be provided to the OFFICE prior to the award of the contract.

d. All agreements and/or contracts or supply requisitions will be in accordance with the requirements of 2 CFR Part 200.

10. APPROVALS

Any approvals, reviews, acceptances, and/or inspections of any nature by MDOT will not be construed as warranties or assumptions of liability on the part of MDOT. It is expressly understood and agreed that the same are for the sole and exclusive purposes of MDOT, which is acting in a governmental capacity under this Contract, and that such approvals are a governmental function incidental to the services under this Contract.

Any such approvals, reviews, acceptances, and/or inspections by MDOT will not relieve the AGENCY of its obligations hereunder, nor are such approvals, reviews, acceptances, and/or inspections by MDOT to be construed as warranties as to the propriety of the AGENCY's performance but are undertaken for the sole use and information of MDOT.

11. ACCESS

The AGENCY agrees to provide and will require its contractors to provide access by MDOT to all technical data, reports, documents, and work in process pertaining to the PROJECT. Copies of technical data, reports, and other documents will be provided by the AGENCY or its contractors to MDOT upon request.

12. INDEMNIFICATION

In addition to the protection afforded by any policy of insurance, the AGENCY agrees to indemnify, defend, and save harmless the State of Michigan, MDOT, the Michigan State Transportation Commission, the Michigan Aeronautics Commission, and all officers, agents, and employees thereof:

a. From any and all claims by persons, firms, or corporations for labor, services, materials, or supplies provided to the AGENCY in connection with the AGENCY's performance of the PROJECT; and

b. From any and all claims for injuries to or death of any and all persons, for loss of or damage to property, for environmental damage, degradation, and response and clean up costs, and for attorney fees and related costs arising out of, under, or by reason of the AGENCY's performance of the services under this Contract, except claims resulting from the sole negligence of said indemnitee, its agents, or its employees.

MDOT will not be subject to any obligations or liabilities by contractors of the AGENCY or their subcontractors or any other person not a party to this Contract without

its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the AGENCY will take no action or conduct that arises either directly or indirectly out of its obligations, responsibilities, and duties under this Contract that results in claims being asserted against or judgments being imposed against the State of Michigan, MDOT, the Michigan State Transportation Commission, and/or the Michigan Aeronautics Commission.

In the event that the same occurs, it will be considered as a breach of this Contract, thereby giving the State of Michigan, MDOT, the Michigan State Transportation Commission, and/or the Michigan Aeronautics Commission a right to seek and obtain any necessary relief or remedy, including, but not limited to a judgment for money damages.

13. PROHIBITION OF DISCRIMINATION

In connection with the performance of the PROJECT under this Contract, the AGENCY (hereinafter in Appendix A referred to as the "contractor") agrees to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, dated June 2011, attached hereto and made a part hereof. The AGENCY further covenants that it will comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Sections 1971, 1975a-1975d, and 2000a-2000h-6, and the regulations of the United States Department of Transportation (49 CFR Part 21) issued pursuant to said act, including Appendix B, attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of the PROJECT for which this Contract is made.

14. UNFAIR LABOR PRACTICES

In accordance with 1980 PA 278, MCL 423.321, *et seq.*, the AGENCY, in the performance of this Contract, will not enter into a contract with a subcontractor, manufacturer, or supplier listed in the register maintained by the United States Department of Labor of employers who have been found in contempt of court by a federal court of appeals on not less than three (3) separate occasions involving different violations during the preceding seven (7) years for failure to correct an unfair labor practice, as prohibited by Section 8 of Chapter 372 of the National Labor Relations Act, 29 USC 158. MDOT may void this Contract if the name of the AGENCY or the name of a subcontractor, manufacturer, or supplier utilized by the AGENCY in the performance of this Contract subsequently appears in the register during the performance period of this Contract.

15. MISCELLANEOUS PROVISIONS

a. The AGENCY will comply with any and all state, federal, and local statutes, ordinances, and regulations and will obtain all permits that are applicable to the entry into and the performance of this Contract.

b. Neither the AGENCY nor any of its contractors nor their subcontractors will enter into any contract or arrangement in connection with the PROJECT in which any member, officer, or employee of the AGENCY during his/her tenure or for one (1) year thereafter has any interest, direct or indirect. If any such present or former member, officer, or employee acquires, prior to or during his/her tenure, any such interest, and if such interest is immediately disclosed to the AGENCY and such disclosure is entered upon the minutes of the governing board of the AGENCY, the AGENCY, with the prior written approval of MDOT, may waive the imposition of the prohibition contained in this subsection, provided that any such present member, officer, or employee will not participate in any action by the AGENCY relating to such contract, subcontract, or arrangement.

The AGENCY will insert in all of its contracts in connection with the PROJECT and will require its contractors to insert in each of their subcontracts the following provision:

> *"No member, officer, or employee of the Michigan Department of Transportation or the Manistee Blacker Airport Authority during his/her tenure or for one (1) year thereafter will have any interest, direct or indirect, in this Contract or the proceeds thereof."*

The provisions of this subsection will not be applicable to any agreement between the AGENCY and its fiscal depositories or to any agreement for utility services the rates for which are fixed or controlled by a State of Michigan agency.

c. The AGENCY warrants that it has no interest and will not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required to be performed under this Contract. The AGENCY further warrants that no person having any such interest will be employed in the performance of this Contract.

d. None of the funds, materials, properties, or services obtained by MDOT or the AGENCY under this Contract will be used for any partisan political activity or to further the election or defeat of any candidate for public office.

e. No portion of the PROJECT will be assigned.

16. ASSIGNMENT OF ANTITRUST RIGHTS

With regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Contract, the AGENCY hereby irrevocably assigns its right to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT.

The AGENCY shall require any subcontractors to irrevocably assign their rights to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Contract due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT as a third-party beneficiary.

The AGENCY shall notify MDOT if it becomes aware that an antitrust violation with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Contract may have occurred or is threatened to occur. The AGENCY shall also notify MDOT if it becomes aware of any person's intent to commence, or of commencement of, an antitrust action with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Contract.

17. TERM OF CONTRACT

This Contract will be in effect from the date of award through twelve (12) months; all PROJECT activities will be completed within this period.

Prior to expiration, the time for completion of performance under this Contract may be extended by MDOT upon written request and justification from the AGENCY. Upon approval and authorization by the OFFICE, a written time extension amendment will be prepared and issued by MDOT. Any such extension will not operate as a waiver by MDOT of any of its rights herein set forth.

The AGENCY agrees to notify MDOT of any event that may have significant potential impact on PROJECT progress.

18. SIGNING

This Contract will become binding on the parties and of full force and effect upon signing by the duly authorized representatives of the AGENCY and MDOT and upon adoption of a resolution approving said Contract and authorizing the signature(s) thereto of the respective representative(s) of the AGENCY, a certified copy of which resolution will be sent to MDOT with this Contract, as applicable.

MANISTEE BLACKER AIRPORT AUTHORITY

By: _____
Authorized Signer

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: _____
Authorized Signer

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.

2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.

3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.

5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.

6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.

8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.

9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

<u>Revised June 2011</u>

Appendix B

(Aeronautics)

CIVIL RIGHTS ACT OF 1964, TITLE VI - 49 CFR PART 21 CONTRACTUAL REQUIREMENTS

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 will comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination. 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 procurement of materials and leases of equipment. The contractor will not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

3. Solicitation for Subcontracts, Including Procurement 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 procurement of materials of leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. Information and Reports. The contractor will provide all information and reports required by the Regulations or 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 Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor will so certify to the sponsor of the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

a. Withholding of payments to the contractor under the contract until the contractor complies, and/or

b. Cancellation, termination, or suspension of the contract, in whole or in part.

6. Incorporation of Provisions. The contractor will include the provisions of paragraphs 1 through 5 in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directive issued pursuant thereto. The contractor will take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

MDOT

APPENDIX I

CONTRACT NO. 2020-0736
PROJECT NO. N/A
ACCOUNT NO. 30850

MICHIGAN DEPARTMENT OF TRANSPORTATION

MANISTEE BLACKER AIRPORT AUTHORITY

MICHIGAN AIR SERVICE PROGRAM

CAPITAL IMPROVEMENT AND EQUIPMENT PROJECT

This Grant Contract is made and entered into this date of _____by and between the Michigan Department of Transportation (MDOT) and Manistee Blacker Airport Authority (GRANTEE).

1. DEFINITIONS

As used in this Grant Contract:

COMMISSION	-	Means the Michigan State Transportation Commission.
OFFICE	-	Means the Office of Aeronautics of MDOT.
STATE	-	Means the State of Michigan.

2. PURPOSE

This Grant Contract sets forth a grant from MDOT to the GRANTEE for the project described in Exhibit A, dated May 21, 2020, attached hereto and made a part hereof, to be undertaken at the Manistee County Blacker Airport , whose associated city is Manistee , Michigan (PROJECT).

The GRANTEE will begin, carry on, and complete the PROJECT with all applicable dispatch in a sound, economical, and efficient manner and in accordance with the provisions of this Grant Contract, all applicable laws, and the Michigan Air Service Program Guidelines, dated November 2016, incorporated herein by reference as if the same were repeated in full herein. The Michigan Air Service Program Guidelines may be found at http://www.michigan.gov/aero under "Links," "Air Service Program Guidelines and Application."

The GRANTEE will initiate and prosecute to completion all proceedings necessary to enable the GRANTEE to commit its share of the PROJECT funds.

3. GRANT

The PROJECT cost will be met in part by contributions from MDOT. The MDOT share will be applied to the PROJECT cost at a rate of 90% for those items eligible for state participation in an amount not to exceed Six Thousand Dollars ($6,000.00) .

MDOT Share	$6,000.00
GRANTEE Share	$667.00
Estimated PROJECT Cost	$6,667.00

The amount of funds shown herein will not be increased without a prior written amendment to this Grant Contract awarded by the parties. MDOT funds in this Grant Contract made available through legislative appropriation are based on projected revenue estimates. MDOT may reduce the amount of this Grant Contract if the revenue actually received is insufficient to support the appropriation under which this Grant Contract is made.

4. PROJECT COSTS

The PROJECT costs are the costs of purchasing or constructing the items described in Exhibit A. The GRANTEE will be responsible for all costs in excess of the MDOT funds shown in Section 3. Administrative costs incurred by the GRANTEE are not eligible PROJECT costs.

Determination of allowable PROJECT costs will be in accordance with the criteria set forth in the Michigan Air Service Program Guidelines, Office of Management and Budget Circular A-87, and Title 49 CFR Part 18 that are in effect at the time the Grant Contract is signed by both parties.

5. NO ENCUMBRANCE

The GRANTEE agrees and warrants that it will not allow any encumbrance, lien, security interest, mortgage, or evidence of indebtedness to attach to or be perfected against any PROJECT equipment or capital improvement acquired pursuant to this Grant Contract.

6. BILLINGS AND PAYMENTS

The GRANTEE may make requests for payment of allowable PROJECT costs. In order to receive grant payments from MDOT, the GRANTEE must:

a. Submit actual or estimated progress billings signed by the authorized agent of the GRANTEE to MDOT. All billings will be labeled sequentially either by progress billing number or as "Final Billing." PROJECT vendor or contractor billings to the GRANTEE must be submitted as supportive documentation for any estimated items on the GRANTEE's billing to MDOT. The Final Billing must be for actual allowable PROJECT costs incurred. The GRANTEE agrees that the costs

reported to MDOT for this Grant Contract will represent only those items that are properly chargeable in accordance with the Grant Contract. The GRANTEE also certifies that it has read the Grant Contract terms and has made itself aware of the applicable laws, regulations, and terms of the Grant Contract that apply to the reporting of costs incurred under the terms of this Grant Contract.

b. Submit, along with billing, a budget summary showing the PROJECT to date and current billings against individual budget items, as shown in Exhibit A.

c. Within sixty (60) days after PROJECT completion or termination, the GRANTEE will submit to MDOT a billing designated as the "Final Billing" to be charged against the Grant Contract. Upon written request by the GRANTEE to MDOT within the sixty (60) day period, which request will include documentation of the circumstances that prevent timely submission of all billings that support the Final Billing, MDOT may, in writing, extend the sixty (60) day period to a date certain. If the GRANTEE fails to provide all billings and supporting documentation for the Final Billing sixty (60) days after the date of PROJECT completion or termination or before or upon the extended date certain established by MDOT, MDOT may elect not to accept any further billings, regardless of whether or not the costs are otherwise allowable under the Grant Contract.

MDOT will pay the GRANTEE MDOT's share of allowable PROJECT costs within thirty (30) working days of receiving said billings, up to the maximum MDOT funds provided under Section 3.

7. TERMINATION OR SUSPENSION

In the event MDOT determines that the GRANTEE has breached a provision of this Grant Contract or determines that, for any other reason, a substantial purpose of this Grant Contract is not being accomplished or will not be accomplished, MDOT may notify the GRANTEE by certified mail of its intent to suspend or terminate MDOT's obligation to make further payments for PROJECT costs, except as otherwise provided in this section. The notice will state the reason for the intended suspension or termination.

Issuance of this notice will mark the beginning of a thirty (30) day period during which the GRANTEE will undertake to correct the reason for the suspension or termination. Suspension or termination will occur automatically after thirty (30) days following the date of mailing of the notice of intent to suspend or terminate unless the GRANTEE corrects the reason for the suspension or termination within that time or MDOT, in writing, extends the time to a date certain. The decision of MDOT to suspend or terminate this Grant Contract will be final and binding on all parties.

Upon termination of this Grant Contract, the GRANTEE agrees to convey title to and deliver the PROJECT equipment, including any PROJECT equipment leased to any other grantee, to MDOT in accordance with MDOT procedures. If within sixty (60) days after termination, the GRANTEE has not returned all of the PROJECT equipment, MDOT

may, but not as an exclusive remedy, withhold monies from present or future agreements or contracts up to the value of the PROJECT equipment.

8. MAINTENANCE OF PROJECT EQUIPMENT AND CAPITAL IMPROVEMENTS

The GRANTEE will maintain all PROJECT equipment and capital improvements at a high level of cleanliness, safety, and mechanical soundness for the term of the Grant Contract or for a period of five (5) years, whichever is longer. Maintenance will conform to the manufacturer's specifications for PROJECT equipment or be as approved by MDOT. The GRANTEE will maintain supporting records documenting such maintenance. Representatives of MDOT will have the right to conduct periodic inspections for the purpose of confirming proper maintenance pursuant to this section. MDOT will give the GRANTEE prior notification of any inspection. Such inspection or approval by MDOT does not relieve the GRANTEE of its obligations hereunder, nor is such inspection or approval by MDOT to be construed as a warranty as to the propriety of the maintenance but is undertaken for the sole use and information of MDOT.

9. DISPOSITION AND USE OF EQUIPMENT AND CAPITAL IMPROVEMENTS

a. The GRANTEE agrees that the PROJECT equipment and capital improvements will be used for the provision of public transportation service for a period of five (5) years.

b. PROJECT equipment no longer used in accordance with the terms of this Grant Contract may be returned to MDOT. With prior written approval from MDOT, the GRANTEE may dispose of said PROJECT equipment according to MDOT guidelines. The GRANTEE agrees to remit to MDOT from the public sale of PROJECT equipment a portion of the proceeds based upon the actual ration of PROJECT funding provided by MDOT, less applicable administrative costs of the sale.

10. ACCOUNTING RECORDS AND DOCUMENTATION

With regard to audits and record-keeping:

a. The GRANTEE will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Grant Contract (RECORDS). Separate accounts will be established and maintained for all costs incurred under this Grant Contract.

b. The GRANTEE will maintain the RECORDS for at least three (3) years from the date of final payment made by MDOT under this Grant Contract. In the event of a dispute with regard to the allowable expenses or any other issue under this Grant Contract, the GRANTEE will thereafter continue to maintain the RECORDS at

least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

c. MDOT or its representative may inspect, copy, or audit the RECORDS at any reasonable time after giving reasonable notice.

d. If any part of the work is subcontracted, the GRANTEE will assure compliance with subsections (a), (b), (c), and (d) above for all subcontracted work.

11. PROCUREMENT OF PROJECT EQUIPMENT AND CAPITAL IMPROVEMENTS

a. The purchase of PROJECT equipment and capital improvements financed in whole or in part pursuant to this Grant Contract will be undertaken by MDOT on behalf of the GRANTEE or by the GRANTEE, as the case may be.

b. PROJECT-Related Procurement Documents: The GRANTEE will submit to the OFFICE copies of the following procurement documents upon request by the OFFICE:

i. Invitations for Bids (IFBs), to be submitted by the GRANTEE prior to distribution.

ii. Amendments to the above, to be submitted by the GRANTEE prior to distribution.

iii. Any specifications, plans, drawings, and quantity figures to be included in the IFBs for the review and approval of the OFFICE.

c. Competitive Bidding: The GRANTEE:

i. Will document competitive quotations utilizing local procurement procedures for third-party contractual agreements of Twenty-Five Thousand Dollars ($25,000.00) and under, except for purchases under Five Hundred Dollars ($500.00).

ii. Will advertise for competitive bids on third-party contractual agreements over Twenty-Five Thousand Dollars ($25,000.00), except for contracts for professional and consulting services.

iii. Will solicit proposals from an adequate number of sources to permit reasonable competition for contracts for professional and consulting services over Twenty-Five Thousand Dollars ($25,000.00).

iv. Will submit to the OFFICE the names of all qualified bidders or a list of proposals, the amount of each bid or proposal, and the identification of the one selected upon request by the OFFICE.

v. May award a contract to a responsible bidder other than the lowest in price, provided that appropriate provision for such action is included in the IFB upon which bids are invited. Justification for such selection will be provided to the OFFICE prior to the award of the contract.

d. Contract Approval: The GRANTEE will submit to MDOT for approval, unless the GRANTEE has been certified in accordance with COMMISSION policy, all contracts, including amendments that relate to this Grant Contract, that are estimated to be in excess of Twenty-Five Thousand Dollars ($25,000.00) prior to said contracts being awarded by the GRANTEE. Awarded copies of all contracts must be submitted to MDOT. The GRANTEE will not enter into multiple contracts of lesser amounts for the purpose of avoiding such approval process.

Approval of said contracts is given for the purposes of MDOT. Approval does not constitute an assumption of liability, a waiver, or an estoppel to enforce any of the requirements of this Grant Contract, nor will any such approvals by MDOT be construed as a warranty of the third party's qualifications, professional standing, ability to perform the work being subcontracted, or financial integrity.

12. ACCESS

The GRANTEE agrees to provide and will require its contractors to provide access by MDOT to all technical data, reports, documents, and work in process pertaining to the PROJECT. Copies of technical data, reports, and other documents will be provided by the GRANTEE or its contractors to MDOT upon request.

13. REPAYMENT

In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Grant Contract or questions the allowability of an item of expense, MDOT will promptly submit to the GRANTEE a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the GRANTEE at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the GRANTEE will (a) respond in writing to the responsible Bureau or Office of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense (RESPONSE). The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the GRANTEE may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the Grant Contract. The GRANTEE agrees that failure to

submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the GRANTEE, the GRANTEE will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If the GRANTEE fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the GRANTEE agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the GRANTEE under this Grant Contract or any other agreement or payable to the GRANTEE under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The GRANTEE expressly consents to this withholding or offsetting of funds under these circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the GRANTEE in a timely filed RESPONSE.

14. INDEMNIFICATION

In addition to the insurance requirements contained herein or any existing insurance policy and the protection afforded thereby, the GRANTEE also agrees to indemnify and save harmless the STATE, the COMMISSION, MDOT, the Michigan Aeronautics Commission, and all officers, agents, and employees thereof:

a. From any and all claims by persons, firms, or corporations for labor, services, materials, or supplies provided to the GRANTEE in connection with this Grant Contract; and

b. From any and all claims for injuries to or death of any and all persons, for loss of or damage to property, for environmental damage, degradation, and response and cleanup costs, and for attorney fees and related costs arising out of, under, or by reason of this Grant Contract, except claims resulting from the sole negligence or willful acts or omissions of said indemnitee, its agents, or its employees.

MDOT will not be subject to any obligations or liabilities by contractors of the GRANTEE or their subcontractors or any other person not a party to the Grant Contract without its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the GRANTEE will take no action or conduct that arises either directly or indirectly out of its obligations, responsibilities, and duties under this Grant Contract that results in claims being asserted against or judgments being imposed against the STATE, the COMMISSION, MDOT, and/or the Michigan Aeronautics Commission.

In the event that the same occurs, it will be considered as a breach of this Grant Contract, thereby giving the STATE, the COMMISSION, and/or MDOT a right to seek and obtain any necessary relief or remedy, including, but not limited to, a judgment for money damages.

15. PROHIBITION OF DISCRIMINATION

In connection with the acceptance of this Grant Contract, the GRANTEE (hereinafter in Appendix A referred to as the "contractor") agrees to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, dated June 2011, attached hereto and made a part hereof. The GRANTEE further covenants that it will comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Section 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the United States Department of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix B, attached hereto and made a part hereof, and will require similar covenants on the part of any contractor or subcontractor employed in the performance of the PROJECT for which this Grant Contract is made.

16. UNFAIR LABOR PRACTICES

In accordance with 1980 PA 278, MCL 423.321 *et seq.*, the GRANTEE, in the performance of this Grant Contract, will not enter into a contract with a subcontractor, manufacturer, or supplier listed in the register maintained by the United States Department of Labor, of employers who have been found in contempt of court by a federal court of appeals on not less than three (3) separate occasions involving different violations during the preceding seven (7) years for failure to correct an unfair labor practice, as prohibited by Section 8 of Chapter 372 of the National Labor Relations Act, 29 USC 158. MDOT may void this Grant Contract if the name of the GRANTEE or the name of a subcontractor, manufacturer, or supplier utilized by the GRANTEE in the performance of this Grant Contract subsequently appears in the register during the performance of this Grant Contract.

17. MISCELLANEOUS PROVISIONS

a. Neither the GRANTEE nor any of its contractors or their subcontractors will enter into any contract or arrangement in connection with the PROJECT in which any member, officer, or employee of the GRANTEE during his/her tenure or for one (1) year thereafter has any interest, direct or indirect. If any such present or former

member, officer, or employee acquires, prior to or during his/her tenure, any such interest, and if such interest is immediately disclosed to the GRANTEE and such disclosure is entered upon the minutes of the governing board of the GRANTEE, the GRANTEE, with the prior written approval of MDOT, may waive the imposition of the prohibition contained in this subsection, provided that any such present member, officer, or employee will not participate in any action by the GRANTEE relating to such contract, subcontract, or arrangement.

b. The GRANTEE warrants that it has no interest and will not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of services required to be performed under this Grant Contract. The GRANTEE further warrants that in the performance of this Grant Contract, no person having any such interest will be employed.

c. None of the funds, materials, property, or services obtained by MDOT or the GRANTEE under this Grant Contract will be used for any partisan political or millage activity or to further the election or defeat of any candidate for public office.

d. The GRANTEE will not assign any interest in this Grant Contract without the prior written approval of MDOT. Any such assignment will be furnished promptly to MDOT in writing. Assignment does not relieve the GRANTEE of its obligations under this Grant Contract.

18. ASSIGNMENT OF ANTI-TRUST RIGHTS

With regard to claims based on goods or services that were used to meet the GRANTEE's obligation to MDOT under this Grant Contract, the GRANTEE hereby irrevocably assigns its right to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT.

The GRANTEE shall require any subcontractors to irrevocably assign their rights to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT with regard to claims based on goods or services that were used to meet the GRANTEE's obligation to MDOT under this Grant Contract due to any violation of 15 USC, Sections 1 - 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT as a third-party beneficiary.

The GRANTEE shall notify MDOT if it becomes aware that an antitrust violation with regard to claims based on goods or services that were used to meet the GRANTEE's obligation to MDOT under this Grant Contract may have occurred or is threatened to occur. The GRANTEE shall also notify MDOT if it becomes aware of any person's intent to commence, or of commencement of, an antitrust action with regard to claims

based on goods or services that were used to meet the GRANTEE's obligation to MDOT under this Grant Contract.

19. TERM OF GRANT CONTRACT

This Grant Contract will be in effect from the date of award through twelve (12) months ; all PROJECT activities will be completed within this period. The provisions of this Grant Contract will continue for as long as the PROJECT equipment is being used in conformity with this Grant Contract.

The GRANTEE agrees to notify MDOT in writing of any event that may have significant potential impact on PROJECT progress, direction, control, or cost.

20. CONFLICT

In case of any discrepancy between the body of this Grant Contract and any exhibit hereto, the body of this Grant Contract will govern.

21. SIGNING

This Grant Contract will become binding on the parties and of full force and effect upon signing by the duly authorized representatives of the GRANTEE and MDOT and upon adoption of a resolution approving said Grant Contract and authorizing the signature(s) thereto of the respective representative(s) of the GRANTEE, a certified copy of which resolution will be sent to MDOT with this Grant Contract, as applicable.

MANISTEE BLACKER AIRPORT AUTHORITY

By: _____
Authorized Signer

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: _____
Authorized Signer

I-12

Exhibit A
May 21, 2020

MANISTEE COUNTY BLACKER AIRPORT AUTHORITY

Purchase PFAS Cart; Training, Shipping and Handling

Estimated Project Cost $ 6,667

Project Description
Purchase PFAS Cart; Training, Shipping and Handling

Total Estimated Cost	$ 6,667
Maximum DEPARTMENT Participation	$ 6,000
Estimated GRANTEE Participation	$ 667

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.

2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.

3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.

5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.

6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.

8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.

9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

Appendix B

(Aeronautics)

CIVIL RIGHTS ACT OF 1964, TITLE VI - 49 CFR PART 21 CONTRACTUAL REQUIREMENTS

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 will comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.

2. Nondiscrimination. 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 procurement of materials and leases of equipment. The contractor will not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.

3. Solicitation for Subcontracts, Including Procurement 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 procurement of materials of leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. Information and Reports. The contractor will provide all information and reports required by the Regulations or 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 Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor will so certify to the sponsor of the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.

5. Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

a. Withholding of payments to the contractor under the contract until the contractor complies, and/or

b. Cancellation, termination, or suspension of the contract, in whole or in part.

6. Incorporation of Provisions. The contractor will include the provisions of paragraphs 1 through 5 in every subcontract, including procurement of materials and leases of equipment, unless exempt by the Regulations or directive issued pursuant thereto. The contractor will take such action with respect to any subcontract or procurement as the sponsor or the FAA may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, however, that in the event a contractor becomes involved in, or is threatened with, litigation with a subcontractor or supplier as a result of such direction, the contractor may request the Sponsor to enter into such litigation to protect the interests of the sponsor and, in addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

MDOT

APPENDIX J

2020 CARES Act Agreement

SubGrant # _____

The Michigan Department of Transportation, acting as a Federal Aviation Administration (FAA) Block Grant Program Participant, has executed FAA CARES Act Grant Number 3-26-SBGP-117-2020. This Block Grant outlines specific requirements, terms, conditions, and assurances required of the Michigan Department of Transportation and any subordinate grant recipients.

This CARES ACT Agreement shall convey the specific requirements, terms, conditions, and assurances contained in FAA CARES Act Grant Number 3-26-SBGP-117-2020 to

_____

hereafter referred to as "the SPONSOR" as a subgrant recipient of
funds. FAA CARES Act Grant Number 3-26-SBGP-117-2020 is attached to this CARES Act Agreement.

The maximum obligation payable to the SPONSOR is $_____. The SPONSOR shall use these funds for any purpose for which airport revenues may be lawfully used. CARES Act Grant subgrant recipients shall follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy defines permitted uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the funds received under 3-26-SBGP-117-2020 or any associated subgrants may not be used for any purpose not related to the airport.

The SPONSOR shall upload each payment request to MDOT's ProjectWise software. Each request shall include the following information:

a) 2020 CARES Act Operational Funding Reimbursement Request Form
b) Summary Sheet (if multiple items are included)
c) Supporting documentation

Once completed payment requests are received, MDOT will review, process, and submit the request to FAA via the Delphi Invoicing System.

In addition to all specific requirements, terms, conditions, and assurances contained in FAA CARES Act Grant Number 3-26-SBGP-117-2020, the Sponsor shall ensure strict adherence to the following audit requirements:

1. The SPONSOR will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Agreement (RECORDS). Separate accounts will be established and maintained for all costs incurred under this Agreement.

2. The SPONSOR will maintain the RECORDS for at least six (6) years from the date of final payment made by MDOT under this Agreement. In the event of a dispute with regard to allowable expenses or any other issue under this Agreement, the SPONSOR will thereafter continue to maintain the RECORDS at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

3. MDOT or its representative may inspect, copy, scan, or audit the RECORDS at any reasonable time after giving reasonable notice.

4. If any part of the work is subcontracted, the SPONSOR will assure compliance with sections (1), (2), and (3) above for all subcontracted work.

5. The SPONSOR agrees that the costs reported to MDOT for this Agreement will represent only those items that are properly chargeable in accordance with this Agreement. The SPONSOR also certifies that it has read the Agreement terms and has made itself aware of the applicable laws, regulations, and terms of this Agreement that apply to the reporting of costs incurred under the terms of this Agreement.

6. In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Agreement or questions the allowability of an item of expense, MDOT will promptly submit to the SPONSOR a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the SPONSOR at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the SPONSOR will (a) respond in writing to the responsible Bureau of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense (RESPONSE). The RESPONSE will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the documentation is voluminous, the SPONSOR may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The RESPONSE will refer to and apply the language of the Agreement. The SPONSOR agrees that failure to submit a RESPONSE within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and RESPONSE within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the SPONSOR, the SPONSOR will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If the SPONSOR fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the

SPONSOR agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the SPONSOR under this Agreement or any other agreement or payable to the SPONSOR under the terms of 1951 PA 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The SPONSOR expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the SPONSOR in a timely filed RESPONSE.

The Sponsor agrees to comply with all portions of this grant Agreement.

Sponsor: _____

Authorized Sponsor Signatory: _____

Authorized Sponsor Signatory (Printed): _____

Date: _____

MDOT Signatory: _____

MDOT Signatory Printed: _____

Date: _____