

West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423

P (616) 368-3023

Comprising City of Zeeland, Park Township and City of Holland



West Michigan Airport Authority

Regular Meeting Agenda

June 12th, 2023

11:30 a.m. –1:00 p.m.

60 Geurink Blvd. Holland, MI 49423

<https://us06web.zoom.us/j/83777032853>

Authority Members

City of Holland

Dave Hoekstra
Scott Corbin
Charles Murray

City of Zeeland

Kevin Klynstra
Beth Blanton
Doug Barese

Park Township

Elisa Hoekwater
Skip Keeter
Ken Brandsen

Ex-officio

Jim Storey
Lucy Ebel

1. Roll Call
2. Public Comment.
3. Approval of Agenda (Action Requested).
4. Consent Agenda (Action Requested):

All items listed under 'Consent Agenda Items' are considered to be routine and have previously been reviewed by Authority Board Members, and will be enacted with one motion, unless requested otherwise by the public or a Board Member, in which event the item will be removed from the consent agenda and placed on as a regular agenda item.
 - a. Approval of May 8th, 2023 meeting minutes.
 - b. Financial Reports
5. Closed Door Session to review legal opinion from Airport Authority Attorney (Action Requested)
6. Approval of FBO Transfer Agreements from FlightLevel Aviation to AV Flight (Action Requested):
 - A. Approval of Amended FBO Agreement
 - B. FBO transfer Agreement
 - C. Approval of Subcontract Agreement of Aircraft Maintenance Services to Tulip City Maintenance
 - D. Approval of Amendment to FBO Maintenance Services Agreement

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

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7. FY24 Insurance Proposal (Action Requested).
8. FY23 Year End Budget Amendments
9. Approval of T-Hangar Repair proposal with CL Construction (Action Requested).
10. FBO Report and Update (Action Requested).
11. Updates from Board.
12. Other Business:
13. Adjourn.

Next Meeting will be held July 10th, 2023

West Michigan Airport Authority

MEETING MINUTES

May 8th, 2023

*****11:30 a.m. – 1:00 p.m.*****

60 Geurink Blvd. Holland, MI

PRESENT: Doug Barensen, Dave Hoekstra, Ken Brandsen, Chuck Murray, Skip Keeter

ABSENT: Scott Corbin (Co-Chair), Kevin Klynstra (Chair), Beth Blanton

OTHERS PRESENT: Jim Storey, Elisa Hoekwater (Zoom), Aaron Thelenwood (Director), Amanda Davio VanLaar (Zoom), Lynn McCammon (Treasurer), Peter Eichleay (FlightLevel-Zoom), Alan Radlo (FlightLevel-Zoom), Leanne Schaffer (Boileau & Co.) Lucy Ebels, Garret Hain (Av Flight), Joseph Meszaros (Av Flight), Dave Craig (West Shore Aviation)

Director Thelenwood called the meeting to order at 11:31 a.m.

23.05.01 Appointment of Acting Chairperson Pro-tem.

As per Rule 1.3 of the Airport Authority Board rules, in the event of the absence of both the Chairperson and Co-Chairperson, the Board shall be called to order by the Airport Authority Director. Upon the Director's call to order, the Board immediately selected to serve as Acting Chairperson Pro-tem.

Murray nominated Hoekstra to serve as Pro-tem Chairperson. Motion was seconded by Barensen. The four present members of the Board (Barensen, Hoekstra, Brandsen, and Murray) voted in favor to confirm the nomination.

Hoekstra accepted the role and assumed the responsibilities of the Chairperson for the duration of the meeting.

23.05.02 Public Comment.

David Craig from Westshore Aviation took the opportunity to address the Board. Mr. Craig expressed his encouragement for the continuation of winter operations at the airport and emphasized the high priority need for additional equipment.

23.05.03 Approval of Agenda (Action Requested).

Barensen made a motion with support from Murray to approve the meeting's agenda.

Motion carried.

23.05.04 Approval of April 10th Meeting Minutes (Action Requested).

Barense made a motion with support from Murray to approve the April 10th meeting minutes. Motion carried.

23.05.05 Public Hearing for FY24 Budget (Action Requested).

Thelenwood presented the board with a review of the operating budget, capital budget, action plan, and a five-year projection from the previous month.

Motion to enter into public hearing was made by Brandsen and supported by Barense.

Roll call vote:

Murray: Yay

Barense: Yay

Brandsen: Yay

Hoekstra: Yay

The motion to enter into the public hearing was approved unanimously.

During the public hearing, several comments were made regarding the fiscal year 24 budget.

Treasurer McCammon noted that there were no changes from the budget presented at the last meeting. The fund balance was well within an acceptable range, and the capital improvement fund demonstrated sufficient capacity to support the proposed budget.

Dave Craig from West Shore Aviation inquired specifically about runway clearing items in the budget to ensure they were adequately accounted for. Director Thelenwood pointed out line item 722808.MOW, which allocated \$45,000 for mowing based on previous years' trends. Item 722808.SNOW allocated \$50,000 for snow removal, with the provision that if the amount exceeded this estimate, the Board could motion for additional funds. These numbers were derived from current trends and expectations.

The capital budget reflected the inclusion of deicing equipment, with a speculative number based on discussions with professionals in the field. Craig expressed concern about whether the budgeted amount would be sufficient to cover the cost of deicing equipment.

Hoekstra commented that if the Board chose to proceed with the proposed budget, they would have the authority to amend it if necessary. It was clarified that the budget covered equipment costs, not chemical pricing, which was still being sorted out along with the fee structure. The Board had the expectation of reaching a solution on these matters.

Further discussions and deliberations on the fiscal year 24 budget are ongoing, and the Board will continue to assess and address the concerns raised during the public hearing.

23.05.06 Approval of Resolution Formally Adopting FY24 Budget (Action Requested).

Murray made a motion with support from Keeter to approve the resolution formally adopting the FY24 budget.

Murray expressed satisfaction with the FY24 budget, but wanted to highlight some concerns with regard to projections which extend out to 2029 but are not appropriate to bring into the discussion for this current hearing.

Roll call vote:

Murray: Yay

Barense: Yay

Keeter: Yay

Brandsen: Yay

Hoekstra: Yay

23.05.07 Approval of Airport Authority Director's Performance Evaluation and annual step increase (Action Requested).

Thelenwood presented the highlights of the recommendation to the Board. Hoekstra inquired about the members of the committee involved in the evaluation process, and it was mentioned that Murray, Elisa, and Klynstra were part of the committee.

Elisa addressed the Board and recommended that they consider the best ways to support the Director. She emphasized the importance of providing training opportunities, being clear about expectations, and supporting the Director with relevant opportunities that could be beneficial. Murray expressed support for Elisa's recommendation. Murray noted that he was comfortable with how things were proceeding.

In addition to the contractual increase, it was decided to provide the Director with an approximate 1% bonus for the coming fiscal year until the contract termination. The specific percentage was determined based on economic factors and considering other similarly situated facilities.

Roll call vote:

Murray: Yay

Barense: Yay

Keeter: Yay

Brandsen: Yay

Hoekstra: Yay

All present Board members participated in the roll call vote and expressed unanimous support the approval of the Airport Authority Director's Performance Evaluation and annual step increase.

23.05.08 FBO Operations Report (Action Requested):

The Board received the FBO Operations Report, which highlighted that over 100 people visited for the Tulip Time Fly In event. Brandsen added that Wings of Mercy has mastered the event, handling the large number of airfield traffic efficiently. Tyler Vandenbrand offered that the fly-in was seamless from the FBOs end and Amanda VanLaar commented that transportation partner, Allegan County was enthusiastic about the event and the ability to participate for the second consecutive year.

Motion for approval was made by Keeter and supported by Murray.

Roll call vote was conducted:

Murray: Yay

Barense: Yay

Keeter: Yay

Brandsen: Yay

Hoekstra: Yay

The motion carried and the FBO Operations Report was approved.

23.05.09 Financial Reports (Action Requested).

The Board received the financial reports for the nearing end of the fiscal year, covering the period of ten months up until the end of April. It was noted that the revenues appeared different compared to previous months due to the formal transfer of the sale of parcel K to the capital funds.

On the expense side, it was reported that 87% of the budget had been utilized. The next meeting will involve the final year-end budget amendment. A payroll adjustment will be made retroactively to January 1st, and it will be reflected in the financials for the next month.

Barense made a motion with support from Brandsen to approve the financial reports. Motion carried.

23.05.10 KPI Dashboard Database

Amanda VanLaar presented to the Board the airport metric model, which was developed using FAA operational data, financial reports, and FBO reports. The purpose of this dashboard is to provide a centralized location where all airport metrics can be accessed for reference.

The intent behind the KPI (Key Performance Indicator) Dashboard is to provide a comprehensive overview of various metrics related to the airport's operations, finances, and FBO activities. Having these metrics readily available in one place will allow for easier monitoring and analysis of performance. Amanda will continue to develop the dashboard to incorporate relevant airport data and necessary items to track.

The Board acknowledged Amanda VanLaar's presentation and expressed appreciation for the effort put into creating the KPI Dashboard. They recognized the value of having a centralized database for reference and decision-making purposes.

The Board accepted this report as information.

23.05.11 Manager's Update:

- a. ADSB Antenna Installation-** Air Nav has approached the Airport Authority requesting permission to install antennae that would provide more accurate flight information. The Air Nav system specializes in flight tracking and aims to enhance the tracking capabilities at the airport. The proposed system would allow for tracking arrivals with blocked tail numbers and provide historical data of tail numbers at designated hot spots.
By improving the accuracy and availability of flight data, the installation of these antennae would assist in providing precise information to the Federal Aviation Administration (FAA) for regulatory purposes.
- b. Hamilton Schools –** Two work based learning student groups in the Future Prep'd program at Hamilton will set up at the Airport in June to learn about WMRA and Aviation and develop projects to answer a driving question in June.
- c. N. Taxilane Schedule -** Spring 2024 to start laying pavement

- d. **Millage Campaign** - efforts are underway to gather baseline data, which will serve as a reference point and provide supporting evidence for the millage campaign. This data will be crucial in presenting a clear and compelling case to the public, outlining the reasons why the millage is essential for the continued growth, development, and maintenance of the airport
- e. **Crosswind Runway Review** – Building & Development committee met to discuss the potential future Crosswind Runway. The committee intends to bring its recommendation/summary of review to the board in June.
- f. **Insurance proposals to be reviewed in June**
- g. **FLITE demo day**- Board invited to participate to explore advanced air mobility efforts occurring out of GRR airport

23.05.12 Updates from Board.

Jim Storey shared information regarding the connection with GRR (Gerald R. Ford International Airport) and their willingness to acknowledge WMRA and the population it serves. There is an ongoing exploration of opportunities to support each other's operations and foster collaboration between the airports. It was noted that parking is the greatest single source of revenue for GRR.

A presentation regarding the impact of solar fields on agricultural areas is scheduled for June 5th. The potential effects and benefits of implementing solar fields will be discussed.

Last week, Liberty Power was observed courting farmers for windmills as part of an airport study.

Av Flight is working diligently to complete the closing of the last third-party report by the end of May. The progress is satisfactory, but there may be a need to call a special meeting toward the end of the month to address any remaining matters.

Further details and updates on these matters will be provided at subsequent meetings.

23.05.13 Other Business:

None.

23.05.14 Adjourn.

West Michigan Airport Authority

Meeting Date: June 12, 2023

Agenda Item:

Subject: Financial Reports for Eleven Months Ended May 31, 2023

Prepared By: Julie Ziurinskas, City Finance

Recommendation: Accept Financial Reports as information

The West Michigan Airport Authority is eleven months into fiscal year 2023. Attached are Budget Performance Reports for the eleven months ended May 31, 2023 (91.67% of year), and the Trial Balance Listing and Fund Equity Reports through May 31, 2023.

Revenues

Operating revenues for the first eleven months totaled \$692,702, or 105% of budget. Investment Income has benefited from the current short term rate environment and Contributions from the City of Zeeland (property tax) exceeded the original budget estimate.

Expenses

Operating expenses for the first eleven months totaled \$610,218, or 93% of budget, and are in line with expectations.

Capital Budget

Capital expenses for the first eleven months includes \$550 in final costs paid toward the Runway reconstruction and lighting project capitalized in prior years, but otherwise does not reflect current project activity as funding information will be obtained from MDOT at fiscal year-end and the related transactions will be recorded then.

Trial Balance/Fund Equity

The West Michigan Airport Authority began FY 2023 with a fund balance of \$1,238,950.

Assets totaled \$3,979,340 at May 31st, comprised mostly of accounts and lease receivables. The current combined funds cash balance totals \$2,026,755.

Liabilities totaled \$2,658,456 at May 31st and primarily represent unearned revenue and deferred inflow of resources-lease (GASB 87).

The fund balance at May 31 is \$2,024,240.

WMAA Fund Balance as of 6/30/2022					\$ 1,238,949.84
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	<u>Operating</u>	<u>Capital 999/Z403</u>	<u>EEC Project (546)</u>	<u>Capital Funds (999)</u>	
Year to date Revenues	692,701.96	703,356.00	-	-	\$ 1,396,057.96
Year to date Expenses	610,217.80	550.00	-	-	<u>\$ 610,767.80</u>

Estimated Fund Balance as of 5/31/2023					<u>\$ 2,024,240.00</u>
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	<u>Budget</u>	<u>YTD</u>		
Remaining Operating Revenues	657,400.00	692,701.96		\$ (35,301.96)

	<u>Budget</u>	<u>YTD</u>	<u>Encumbrances</u>	
Remaining Operating Expenses (excluding contingences)	655,200.00	610,217.80	-	<u>\$ 44,982.20</u>

Contingency Account (Reserves for Capital Projects):

Contingency - General		10,000.00	
T Hangar Repairs		5,000.00	
Reserves for ABC Mnct/Repairs		-	
Reserves for Capital Projects		<u>89,200.00</u>	<u>\$ 104,200.00</u>

Ending Fund Balance as of 6/30/2023					<u>\$ 1,839,755.84</u>
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Other Expected Expenses:

	<u>Estimated amount</u>	<u>Spent</u>	
FY23 Design for Hangar Park Taxilane	2,500.00		\$ 2,500.00
FY23 Wetland Mitigation N. Hangar Taxilane	10,350.00		\$ 10,350.00
FY23 Approach Light - Gravel Path	40,000.00		\$ 40,000.00
FY23 Runway/Taxiway Painting	15,000.00		\$ 15,000.00
FY23 Entryway Improvements	<u>5,000.00</u>		<u>\$ 5,000.00</u>

Ending Fund balance after expected capital expenses					<u>\$ 1,766,905.84</u>
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Budget Performance Report

Fiscal Year to Date 05/31/23

Exclude Rollup Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Fund Z01 - WMAA (Airport) General Fund										
REVENUE										
Department 000 - General Revenues										
440573	State-Reim Local PPT Tax Loss	19,400.00	.00	19,400.00	7,707.79	.00	20,788.54	(1,388.54)	107	20,138.29
450582.C	Contributions from Other Govts From City of Holland	123,100.00	.00	123,100.00	2.74	.00	120,790.68	2,309.32	98	115,369.78
450582.P	Contributions from Other Govts From Park Township	120,000.00	.00	120,000.00	.00	.00	123,616.47	(3,616.47)	103	100,190.88
450582.Z	Contributions from Other Govts From City of Zeeland	63,000.00	.00	63,000.00	22,388.43	.00	82,204.98	(19,204.98)	130	78,316.67
460626.Y	Fees-Finance/Mgmt Treas Fee-Recovery Court Costs	.00	.00	.00	.00	.00	.00	.00	+++	84.40
460647.7	Sales Sale of Merchandise-Taxable	.00	.00	.00	.00	.00	.00	.00	+++	10.60
460654.1	Franchise Fees FBO Franchise Fees	25,500.00	.00	25,500.00	2,624.00	.00	22,899.30	2,600.70	90	20,758.00
460654.5	Franchise Fees Fuel Flowage Fee	70,000.00	.00	70,000.00	5,045.92	.00	69,051.29	948.71	99	68,986.17
460654.7	Franchise Fees Landing Fees	30,000.00	.00	30,000.00	2,358.07	.00	24,195.68	5,804.32	81	23,077.27
480665.0	Investment Income General	8,000.00	.00	8,000.00	.00	.00	21,532.34	(13,532.34)	269	6,781.86
480669.A	Rental Airport Business Center	8,800.00	.00	8,800.00	804.39	.00	8,043.90	756.10	91	7,291.80
480669.24	Rental Hangar Land Lease	116,000.00	.00	116,000.00	1,905.20	.00	126,583.13	(10,583.13)	109	113,760.76
480669.25	Rental Agricultural Land Lease	12,600.00	.00	12,600.00	.00	.00	12,209.21	390.79	97	13,363.74
480669.26	Rental T-Hangars	58,000.00	.00	58,000.00	40.00	.00	58,080.00	(80.00)	100	57,653.33
490685.1	Recoveries Insurance	.00	.00	.00	.00	.00	.00	.00	+++	2,789.61
490685.2	Recoveries Other Parties	.00	3,000.00	3,000.00	.00	.00	2,702.96	297.04	90	1,656.74
490692.0	Miscellaneous General	.00	.00	.00	.00	.00	3.48	(3.48)	+++	212.54
Department 000 - General Revenues Totals		\$654,400.00	\$3,000.00	\$657,400.00	\$42,876.54	\$0.00	\$692,701.96	(\$35,301.96)	105%	\$630,442.44
REVENUE TOTALS		\$654,400.00	\$3,000.00	\$657,400.00	\$42,876.54	\$0.00	\$692,701.96	(\$35,301.96)	105%	\$630,442.44
EXPENSE										
Department 540 - Airport Operations										
710701.0	Payroll-Regular General	141,737.00	.00	141,737.00	8,974.76	.00	75,455.13	66,281.87	53	64,860.41
710707.0	Payroll-Temporary Help General	.00	.00	.00	3,960.00	.00	32,877.50	(32,877.50)	+++	16,897.50
711702.0	Payroll-Vacation/PTO General	11,150.00	.00	11,150.00	1,497.80	.00	9,075.72	2,074.28	81	7,884.46
711703	Payroll-Holidays	4,800.00	.00	4,800.00	.00	.00	3,515.60	1,284.40	73	1,800.00
711716.1	Insurance Health	18,000.00	.00	18,000.00	250.00	.00	2,750.00	15,250.00	15	2,750.00
711716.2	Insurance Dental	420.00	.00	420.00	.00	.00	.00	420.00	0	.00
711718.1	Retirement Contribution MERS	12,810.00	.00	12,810.00	770.61	.00	6,669.33	6,140.67	52	5,723.59
711720	Insurance-Income Protection	1,670.00	.00	1,670.00	(18.50)	.00	(203.50)	1,873.50	-12	798.45
712715	Employer FICA/Medicare Contribution	12,250.00	.00	12,250.00	1,123.21	.00	9,461.08	2,788.92	77	7,205.72
712723	Unemployment Comp Insurance	48.00	.00	48.00	.00	.00	.00	48.00	0	1.90
712724	Workers Comp Insurance	715.00	.00	715.00	.00	.00	94.00	621.00	13	.10
721730.0	Postage General	.00	.00	.00	.00	.00	21.38	(21.38)	+++	62.03
721740.0	Operating Supplies General	1,000.00	.00	1,000.00	421.98	.00	3,188.37	(2,188.37)	319	2,916.48
721740.CAP	Operating Supplies Controlled Items-Capital Type	1,600.00	.00	1,600.00	.00	.00	.00	1,600.00	0	.00
721931.0	Bldg & Grnds Maint General	5,000.00	3,000.00	8,000.00	220.12	.00	12,213.72	(4,213.72)	153	1,429.06
721933.0	Equipment Maintenance General	16,000.00	.00	16,000.00	.00	.00	15,126.76	873.24	95	22,085.79
721933.INS	Equipment Maintenance Repairs-Insurance Claims	.00	.00	.00	.00	.00	.00	.00	+++	2,789.61



Budget Performance Report

Fiscal Year to Date 05/31/23

Exclude Rollup Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Fund Z01 - WMAA (Airport) General Fund										
EXPENSE										
Department 540 - Airport Operations										
722801.9010	Contr-Printing Advertising/Promotional	40,000.00	.00	40,000.00	4,654.41	.00	48,300.90	(8,300.90)	121	48,535.47
722804.0	Contractual-Legal General	20,000.00	.00	20,000.00	315.00	.00	35,203.65	(15,203.65)	176	15,552.00
722805.1	Contractual-Finance Independent Audit	7,900.00	.00	7,900.00	.00	.00	8,100.00	(200.00)	103	7,900.00
722805.4	Contractual-Finance Financial Service Fees	2,000.00	.00	2,000.00	.00	.00	2,000.00	.00	100	2,000.00
722807.2	Contractual-Architect/Engineer Plan Development	.00	.00	.00	.00	.00	3,137.00	(3,137.00)	+++	31,971.10
722807.5	Contractual-Architect/Engineer Engineering	15,000.00	.00	15,000.00	.00	.00	111,595.41	(96,595.41)	744	39,444.07
722808.1	Contr-Bldgs&Grnds Janitorial	.00	.00	.00	594.50	.00	1,545.41	(1,545.41)	+++	.00
722808.8	Contr-Bldgs&Grnds Tree Clearing	.00	.00	.00	.00	.00	.00	.00	+++	40,300.00
722808.MOW	Contr-Bldgs&Grnds Mowing	30,000.00	.00	30,000.00	.00	.00	25,484.64	4,515.36	85	35,480.25
722808.MTCE	Contr-Bldgs&Grnds Maintenance-General Repairs	23,000.00	.00	23,000.00	.00	.00	19,552.55	3,447.45	85	23,868.68
722808.SNOW	Contr-Bldgs&Grnds Snowplowing	50,000.00	.00	50,000.00	.00	.00	52,198.76	(2,198.76)	104	56,884.51
722809.61	Contractual-Misc Management Services	28,000.00	.00	28,000.00	2,580.83	.00	33,048.59	(5,048.59)	118	25,468.70
722809.62	Contractual-Misc Airport Manager-Tulip City Air	2,000.00	.00	2,000.00	.00	.00	1,164.50	835.50	58	1,523.99
723850.0	Communications Telephone	600.00	.00	600.00	36.98	.00	647.05	(47.05)	108	405.18
723850.CELL	Communications Cellular	1,200.00	.00	1,200.00	.00	.00	600.00	600.00	50	600.00
723850.WIFI	Communications WIFI Internet Connection	.00	.00	.00	.00	.00	312.50	(312.50)	+++	.00
723860.0	Travel, Conf, Seminars General	3,000.00	.00	3,000.00	115.00	.00	3,286.43	(286.43)	110	1,859.16
723910.0	Commercial Insurance Premiums General	27,500.00	4,300.00	31,800.00	.00	.00	31,794.00	6.00	100	27,308.00
723920.GAS	Public Utilities Natural Gas	.00	.00	.00	.00	.00	58.36	(58.36)	+++	.00
723920.GATE	Public Utilities Fence Gates	500.00	.00	500.00	.00	.00	739.30	(239.30)	148	483.00
723920.LAND	Public Utilities Landing Lights & System	3,500.00	.00	3,500.00	.00	.00	3,174.16	325.84	91	3,047.24
723920.PLOT	Public Utilities Parking Lot Lights	1,000.00	.00	1,000.00	.00	.00	512.74	487.26	51	1,236.17
723920.RUNW	Public Utilities Runway Lights	5,000.00	.00	5,000.00	.00	.00	4,847.62	152.38	97	4,851.21
723920.THAN	Public Utilities T-Hangars	5,000.00	.00	5,000.00	.00	.00	5,021.20	(21.20)	100	6,306.65
723942.0	Building Rental/Lease General	1,000.00	.00	1,000.00	.00	.00	1,000.00	.00	100	1,000.00
723955.0	Misc. General	2,000.00	1,000.00	3,000.00	2,240.95	.00	6,694.87	(3,694.87)	223	3,541.47
723961.0	Dues & Subscriptions General	2,000.00	.00	2,000.00	(178.79)	.00	2,390.06	(390.06)	120	1,647.98
723963.3	Write-Offs Court Fees A/R or PP Pursuit	.00	.00	.00	.00	.00	.00	.00	+++	84.40
723964.2	Refunds Property Tax Prior Years	.00	.00	.00	7.09	.00	243.25	(243.25)	+++	58.46
730977.0	Machinery & Equipment General	.00	.00	.00	510.92	.00	510.92	(510.92)	+++	.00
770956.0	Contingency General	104,200.00	.00	104,200.00	.00	.00	.00	104,200.00	0	.00
Department 540 - Airport Operations Totals		\$601,600.00	\$8,300.00	\$609,900.00	\$28,076.87	\$0.00	\$573,408.96	\$36,491.04	94%	\$518,562.79
Department 541 - Business Center										
721931.GRND	Bldg & Grnds Maint Grounds Maintenance	5,000.00	.00	5,000.00	.00	.00	3,287.21	1,712.79	66	5,641.76
721933.0	Equipment Maintenance General	5,000.00	.00	5,000.00	.00	.00	.00	5,000.00	0	2,342.70
722808.1	Contr-Bldgs&Grnds Janitorial	7,500.00	.00	7,500.00	251.59	.00	7,223.18	276.82	96	10,710.05
723850.0	Communications Telephone	2,600.00	.00	2,600.00	240.00	.00	2,160.00	440.00	83	2,952.50
723850.WIFI	Communications WIFI Internet Connection	2,700.00	.00	2,700.00	312.50	.00	3,365.00	(665.00)	125	3,677.50

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Fund Z01 - WMAA (Airport) General Fund										
EXPENSE										
Department 541 - Business Center										
723920.BPW	Public Utilities BPW	18,000.00	.00	18,000.00	.00	.00	14,665.85	3,334.15	81	15,243.84
723920.GAS	Public Utilities Natural Gas	4,500.00	.00	4,500.00	302.84	.00	6,107.60	(1,607.60)	136	6,118.64
Department 541 - Business Center Totals		\$45,300.00	\$0.00	\$45,300.00	\$1,106.93	\$0.00	\$36,808.84	\$8,491.16	81%	\$46,686.99
EXPENSE TOTALS		\$646,900.00	\$8,300.00	\$655,200.00	\$29,183.80	\$0.00	\$610,217.80	\$44,982.20	93%	\$565,249.78
Fund Z01 - WMAA (Airport) General Fund Totals										
REVENUE TOTALS		654,400.00	3,000.00	657,400.00	42,876.54	.00	692,701.96	(35,301.96)	105%	630,442.44
EXPENSE TOTALS		646,900.00	8,300.00	655,200.00	29,183.80	.00	610,217.80	44,982.20	93%	565,249.78
Fund Z01 - WMAA (Airport) General Fund Totals		\$7,500.00	(\$5,300.00)	\$2,200.00	\$13,692.74	\$0.00	\$82,484.16	(\$80,284.16)		\$65,192.66
Grand Totals										
REVENUE TOTALS		654,400.00	3,000.00	657,400.00	42,876.54	.00	692,701.96	(35,301.96)	105%	630,442.44
EXPENSE TOTALS		646,900.00	8,300.00	655,200.00	29,183.80	.00	610,217.80	44,982.20	93%	565,249.78
Grand Totals		\$7,500.00	(\$5,300.00)	\$2,200.00	\$13,692.74	\$0.00	\$82,484.16	(\$80,284.16)		\$65,192.66



Budget Performance Report

Fiscal Year to Date 05/31/23

Exclude Rollup Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year YTD
Fund Z01 - WMAA (Airport) General Fund										
REVENUE										
Department 999 - Airport Capital Projects										
420502.24	Federal Grant FAA Capital	138,000.00	(138,000.00)	.00	.00	.00	.00	.00	+++	.00
430502.24	State Grant MDOT State Capital	2,500.00	(2,500.00)	.00	.00	.00	.00	.00	+++	.00
Department 999 - Airport Capital Projects Totals		\$140,500.00	(\$140,500.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00
REVENUE TOTALS		\$140,500.00	(\$140,500.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$0.00
EXPENSE										
Department 999 - Airport Capital Projects										
Division 045 - Runway										
730974.0	Land Improvements General	213,350.00	(213,350.00)	.00	.00	.00	550.00	(550.00)	+++	.00
Division 045 - Runway Totals		\$213,350.00	(\$213,350.00)	\$0.00	\$0.00	\$0.00	\$550.00	(\$550.00)	+++	\$0.00
Department 999 - Airport Capital Projects Totals		\$213,350.00	(\$213,350.00)	\$0.00	\$0.00	\$0.00	\$550.00	(\$550.00)	+++	\$0.00
EXPENSE TOTALS		\$213,350.00	(\$213,350.00)	\$0.00	\$0.00	\$0.00	\$550.00	(\$550.00)	+++	\$0.00
Fund Z01 - WMAA (Airport) General Fund Totals										
REVENUE TOTALS		140,500.00	(140,500.00)	.00	.00	.00	.00	.00	+++	.00
EXPENSE TOTALS		213,350.00	(213,350.00)	.00	.00	.00	550.00	(550.00)	+++	.00
Fund Z01 - WMAA (Airport) General Fund Totals		(\$72,850.00)	\$72,850.00	\$0.00	\$0.00	\$0.00	(\$550.00)	\$550.00		\$0.00
Fund Z403 - WMAA (Airport) Capital Projects										
REVENUE										
Department 595 - Airport Projects										
Division 045 - Runway										
420502.24	Federal Grant FAA Capital	.00	138,000.00	138,000.00	.00	.00	.00	138,000.00	0	.00
430502.24	State Grant MDOT State Capital	.00	2,500.00	2,500.00	.00	.00	.00	2,500.00	0	.00
450582.ST	Contributions from Other Govts City of Holland-Other	.00	.00	.00	.00	.00	703,356.00	(703,356.00)	+++	.00
Division 045 - Runway Totals		\$0.00	\$140,500.00	\$140,500.00	\$0.00	\$0.00	\$703,356.00	(\$562,856.00)	501%	\$0.00
Department 595 - Airport Projects Totals		\$0.00	\$140,500.00	\$140,500.00	\$0.00	\$0.00	\$703,356.00	(\$562,856.00)	501%	\$0.00
REVENUE TOTALS		\$0.00	\$140,500.00	\$140,500.00	\$0.00	\$0.00	\$703,356.00	(\$562,856.00)	501%	\$0.00
EXPENSE										
Department 595 - Airport Projects										
Division 045 - Runway										
730974.0	Land Improvements General	.00	213,350.00	213,350.00	.00	.00	.00	213,350.00	0	.00
Division 045 - Runway Totals		\$0.00	\$213,350.00	\$213,350.00	\$0.00	\$0.00	\$0.00	\$213,350.00	0%	\$0.00
Department 595 - Airport Projects Totals		\$0.00	\$213,350.00	\$213,350.00	\$0.00	\$0.00	\$0.00	\$213,350.00	0%	\$0.00
EXPENSE TOTALS		\$0.00	\$213,350.00	\$213,350.00	\$0.00	\$0.00	\$0.00	\$213,350.00	0%	\$0.00
Fund Z403 - WMAA (Airport) Capital Projects Totals										
REVENUE TOTALS		.00	140,500.00	140,500.00	.00	.00	703,356.00	(562,856.00)	501%	.00
EXPENSE TOTALS		.00	213,350.00	213,350.00	.00	.00	.00	213,350.00	0%	.00
Fund Z403 - WMAA (Airport) Capital Projects Totals		\$0.00	(\$72,850.00)	(\$72,850.00)	\$0.00	\$0.00	\$703,356.00	(\$776,206.00)		\$0.00



Budget Performance Report

Fiscal Year to Date 05/31/23

Exclude Rollup Account

Grand Totals									
REVENUE TOTALS	140,500.00	.00	140,500.00	.00	.00	703,356.00	(562,856.00)	501%	.00
EXPENSE TOTALS	213,350.00	.00	213,350.00	.00	.00	550.00	212,800.00	0%	.00
Grand Totals	(\$72,850.00)	\$0.00	(\$72,850.00)	\$0.00	\$0.00	\$702,806.00	(\$775,656.00)		\$0.00



Fund Equity Changes Report

Through 05/31/23
Detail Listing
Exclude Rollup Account

Account	Account Description	Beginning Balance	YTD Credits	YTD Debits	Current Balance	Prior Year Fund Equity Adjustment	YTD Revenues	YTD Expenses	Estimate Fund Balance
Fund Category	GOVERNMENTAL								
Fund Type	GENERAL FUND								
Fund	Z01 - WMAA (Airport) General Fund								
341390.A	Fund Balance - Assigned (By Action) Apron, Building & Sitework	.00	.00	.00	.00				
341390.ABC	Fund Balance - Assigned (By Action) Business Center Maintenance	100,000.00	25,000.00	.00	125,000.00				
341390.E	Fund Balance - Assigned (By Action) For Emergencies	.00	.00	.00	.00				
341390.R	Fund Balance - Assigned (By Action) For Capital Acquisitions	.00	.00	.00	.00				
342390	Fund Balance-Unassigned	1,138,949.84	.00	25,000.00	1,113,949.84				
345390.C	Fund Balance Committed (By Resolution) For Capital Projects	.00	.00	.00	.00				
345390.E	Fund Balance Committed (By Resolution) For Emergencies	.00	.00	.00	.00				
Fund	Z01 - WMAA (Airport) General Fund Totals	\$1,238,949.84	\$25,000.00	\$25,000.00	\$1,238,949.84	\$0.00	\$692,701.96	\$610,767.80	\$1,320,884.00
Fund Type	GENERAL FUND Totals	\$1,238,949.84	\$25,000.00	\$25,000.00	\$1,238,949.84	\$0.00	\$692,701.96	\$610,767.80	\$1,320,884.00
Fund Type	CAPITAL PROJECT FUNDS								
Fund	Z403 - WMAA (Airport) Capital Projects								
342390	Fund Balance-Unassigned	.00	.00	.00	.00				
Fund	Z403 - WMAA (Airport) Capital Projects Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$703,356.00	\$0.00	\$703,356.00
Fund Type	CAPITAL PROJECT FUNDS Totals	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$703,356.00	\$0.00	\$703,356.00
Fund Category	GOVERNMENTAL Totals	\$1,238,949.84	\$25,000.00	\$25,000.00	\$1,238,949.84	\$0.00	\$1,396,057.96	\$610,767.80	\$2,024,240.00
Grand Totals		\$1,238,949.84	\$25,000.00	\$25,000.00	\$1,238,949.84	\$0.00	\$1,396,057.96	\$610,767.80	\$2,024,240.00



Trial Balance Listing

Through 05/31/23
Detail Balance Sheet Listing
Exclude Rollup Account

Account	Account Description	Balance Forward	YTD Debits	YTD Credits	Ending Balance	Prior Year YTD Balance
Fund Z01 - WMAA (Airport) General Fund						
<i>CURRENT ASSETS</i>						
110001.675	Cash Due from Cash/Inv Pool	1,278,221.67	1,398,698.72	1,353,521.17	1,323,399.22	1,242,403.17
113040.0	Accounts Receivable General	16,604.24	354,077.85	354,601.55	16,080.54	25,417.02
11304P	Accounts Receivable In/Out	.00	.00	.30	(.30)	.00
114026.2015	Taxes Receivable 2015	.15	.00	.15	.00	.15
114026.2016	Taxes Receivable 2016	.88	.00	.67	.21	15.02
114026.2017	Taxes Receivable 2017	35.33	.00	.00	35.33	30.25
114026.2018	Taxes Receivable 2018	28.43	.00	.24	28.19	21.08
114026.2019	Taxes Receivable 2019	36.03	.00	.00	36.03	33.64
114026.2020	Taxes Receivable 2020	42.38	.00	3.33	39.05	49.59
114026.2021	Taxes Receivable 2021	50.01	.00	38.11	11.90	.00
114031	Allowance for Uncollectible Taxes	(190.64)	.00	.00	(190.64)	(116.40)
118123	Prepaid Items	1,036.33	250.00	1,036.33	250.00	.00
119073.2	Due from Local Govt Units Due from Park Township	6.48	123,622.95	123,629.43	.00	.00
119073.3	Due from Local Govt Units Due from Zeeland City	15.34	82,204.98	60,325.85	21,894.47	.00
119078.0	Due from State of Michigan General	162.51	.00	162.51	.00	.00
119078.1	Due from State of Michigan Due from State-Aeronautics	36,619.68	.00	31,431.89	5,187.79	16,208.58
11D062	Lease Receivable	2,612,568.00	.00	.00	2,612,568.00	.00
<i>CURRENT ASSETS Totals</i>		\$3,945,236.82	\$1,958,854.50	\$1,924,751.53	\$3,979,339.79	\$1,284,062.10
<i>CURRENT LIABILITIES</i>						
210202.0	Accounts Payable General	(15,635.79)	473,378.33	457,742.54	.00	(27,070.64)
211202	Contracts Payable	(18,070.47)	18,070.47	.00	.00	.00
212257.0	Accrued Wages Payable General	(3,745.05)	3,745.05	.00	.00	.00
212262.1	Accrued Fringes Payable FICA-Social Security/Medicare	(240.58)	240.58	.00	.00	.00
212262.4	Accrued Fringes Payable Pension	(251.60)	251.60	.00	.00	.00
21B339.0	Deferred Revenue General	(21,339.49)	9,887.70	.00	(11,451.79)	(17,330.00)
<i>CURRENT LIABILITIES Totals</i>		(\$59,282.98)	\$505,573.73	\$457,742.54	(\$11,451.79)	(\$44,400.64)
<i>OTHER LIABILITIES</i>						
230365	Deferred Inflow of Resources-Lease	(2,647,004.00)	.00	.00	(2,647,004.00)	.00
<i>OTHER LIABILITIES Totals</i>		(\$2,647,004.00)	\$0.00	\$0.00	(\$2,647,004.00)	\$0.00
<i>FUND BALANCE</i>						
341390.ABC	Fund Balance - Assigned (By Action) Business Center Maintenance	(100,000.00)	.00	25,000.00	(125,000.00)	(100,000.00)
342390	Fund Balance-Unassigned	(1,138,949.84)	25,000.00	.00	(1,113,949.84)	(1,074,468.80)
<i>FUND BALANCE Totals</i>		(\$1,238,949.84)	\$25,000.00	\$25,000.00	(\$1,238,949.84)	(\$1,174,468.80)
	Fund Revenues	.00	711,728.53	1,404,430.49	(692,701.96)	(630,442.44)
	Fund Expenses	.00	616,819.57	6,051.77	610,767.80	565,249.78
Fund Z01 - WMAA (Airport) General Fund Totals		\$0.00	\$3,817,976.33	\$3,817,976.33	\$0.00	\$0.00



Trial Balance Listing

Through 05/31/23
Detail Balance Sheet Listing
Exclude Rollup Account

Grand Totals	\$0.00	\$3,817,976.33	\$3,817,976.33	\$0.00	\$0.00
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Trial Balance Listing

Through 05/31/23
Detail Balance Sheet Listing
Exclude Rollup Account

Account	Account Description	Balance Forward	YTD Debits	YTD Credits	Ending Balance	Prior Year YTD Balance
Fund	Z403 - WMAA (Airport) Capital Projects					
	<i>CURRENT ASSETS</i>					
110001.675	Cash Due from Cash/Inv Pool	.00	703,356.00	.00	703,356.00	.00
	<i>CURRENT ASSETS Totals</i>	\$0.00	\$703,356.00	\$0.00	\$703,356.00	\$0.00
	<i>CURRENT LIABILITIES</i>					
210202.0	Accounts Payable General	.00	.00	.00	.00	.00
	<i>CURRENT LIABILITIES Totals</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	<i>FUND BALANCE</i>					
342390	Fund Balance-Unassigned	.00	.00	.00	.00	.00
	<i>FUND BALANCE Totals</i>	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
	P/Y Fund Equity Adjustment	.00	.00	.00	.00	.00
	Fund Revenues	.00	.00	703,356.00	(703,356.00)	.00
	Fund Expenses	.00	.00	.00	.00	.00
Fund	Z403 - WMAA (Airport) Capital Projects Totals	\$0.00	\$703,356.00	\$703,356.00	\$0.00	\$0.00
	Grand Totals	\$0.00	\$703,356.00	\$703,356.00	\$0.00	\$0.00

City of Holland
Payment Batch Register
 Bank Account: CITY AP - HUNT - PAYABLES ACCT-HUNTINGTON
 Batch Date: 05/11/2023

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: CITY AP - HUNT - PAYABLES ACCT-HUNTINGTON					
Check	05/11/2023	80288 Accounts Payable	ARR AVIATION BIV		909.20
	Invoice		Date	Description	Amount
		2023-00002935	04/30/2023	AIRPORT - APRIL SERVICES	909.20
Check	05/11/2023	80289 Accounts Payable	HOLLAND CITY TREASURER		1,798.94
	Invoice		Date	Description	Amount
		2023-60	04/30/2023	AIRPORT - APRIL 2023 GROUNDS MTCE	1,798.94
EFT	05/11/2023	10478 Accounts Payable	MEAD & HUNT INC - ACH	075000019 / 547284589	1,483.00
	Invoice		Date	Description	Amount
		347916	04/30/2023	AIRPORT - APRIL SERVICES	1,483.00
CITY AP - HUNT PAYABLES ACCT-HUNTINGTON Totals:			Transactions: 3		\$4,191.14
	Checks:	2	\$2,708.14		
	EFTs:	1	\$1,483.00		

City of Holland
Payment Batch Register
 Bank Account: CITY AP - HUNT - PAYABLES ACCT-HUNTINGTON
 Batch Date: 05/18/2023

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: CITY AP - HUNT - PAYABLES ACCT-HUNTINGTON					
Check	05/18/2023	80407 Accounts Payable	BOILEAU & CO.		3,865.17
	Invoice		Date	Description	Amount
		25535	05/18/2023	AIRPORT - APRIL SERVICES	3,865.17
Check	05/18/2023	80408 Accounts Payable	HOLLAND CITY TREASURER		1,968.04
	Invoice		Date	Description	Amount
		2023-22	02/21/2023	AIRPORT - REIMBURSEMENT FOR PURCHASE OF LAPTOP FOR AIRPORT STAFF	1,968.04
Check	05/18/2023	80409 Accounts Payable	WEST MICHIGAN UNIFORM		251.59
	Invoice		Date	Description	Amount
		376997	04/30/2023	AIRPORT - APRIL GOODS AND SERVICES	251.59
CITY AP - HUNT PAYABLES ACCT-HUNTINGTON Totals:			Transactions: 3		<u>\$6,084.80</u>
Checks:		3	\$6,084.80		

City of Holland
Payment Batch Register
 Bank Account: CITY AP - HUNT - PAYABLES ACCT-HUNTINGTON
 Batch Date: 05/25/2023

Type	Date	Number Source	Payee Name	EFT Bank/Account	Transaction Amount
Bank Account: CITY AP - HUNT - PAYABLES ACCT-HUNTINGTON					
Check	05/25/2023	80490 Accounts Payable	CUNNINGHAM DALMAN P.C.		315.00
	Invoice	Date	Description		Amount
	2023-00003085	05/25/2023	AIRPORT - LEGAL		315.00
Check	05/25/2023	80491 Accounts Payable	PROMO AGENCY COMPANY		645.99
	Invoice	Date	Description		Amount
	BS97006849A	05/25/2023	AIRPORT MUGS		645.99
Check	05/25/2023	80492 Accounts Payable	THE HOLLAND SENTINEL - ADS		143.25
	Invoice	Date	Description		Amount
	2023-00003088	05/25/2023	AIRPORT - INV 0005536974		143.25
Check	05/25/2023	80493 Accounts Payable	USDA, APHIS, GENERAL		220.12
	Invoice	Date	Description		Amount
	3004591088	05/25/2023	AIRPORT - SERVICES THROUGH 5/31/23		220.12
EFT	05/25/2023	10528 Accounts Payable	FIFTH THIRD BANK - CREDIT CARD - ACH	072499952 / 7661394601	1,342.00
	Invoice	Date	Description		Amount
	2023-00003086	04/30/2023	AIRPORT - APRIL 2023 CREDIT CARD PMT		1,342.00
EFT	05/25/2023	10529 Accounts Payable	SEMCO ENERGY GAS COMPANY - ACH	072499952 / 7661394601	302.84
	Invoice	Date	Description		Amount
	2023-00003087	05/25/2023	AIRPORT SEMCO BILL MAY READ DATE		302.84
CITY AP - HUNT PAYABLES ACCT-HUNTINGTON Totals:			Transactions: 6		\$2,969.20
Checks:		4	\$1,324.36		
EFTs:		2	\$1,644.84		

West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423
P (616) 355-1363

Comprising City of Zeeland, Park Township and City of Holland



June 12th, 2023

Report 6

To: West Michigan Airport Authority Board.
From: Aaron Thelenwood, Authority Director.
Subject: **Approval of FBO Transfer Agreements from FlightLevel Aviation to Av Flight.**

FlightLevel Aviation has been serving as the Fixed Base Operator (FBO) at West Michigan Regional Airport since 2021 after procuring Tulip City Air Service DBA Flyby Air from Terry Boer. During this time FBO Staff (formerly Mike Krzciok now Tyler Vandenbrand) have also been serving as the Assistant Airport Manager.

Alan Radlo (Owner) and Peter Eichleay (President) have been working to transfer ownership to Av Flight, one of the premier FBO service providers in the Nation. Av Flight is a Michigan Based Company (Ann Arbor) and operates twenty four FBO's across the US. Av Flight is also a sister company to Av Fuel, one of the largest providers of aircraft fuel in the US. Under this transfer, the name of the entity on-field will be AV Flight, and it is understood that operational and management decisions will be made by Av Flight. Staff and Board Leadership have met with representatives of Av Flight and are confident in their understanding of the critical role the airport plays in the local economy as well as the needs of the Airport's based tenants and transient users. Staff have been working with Av Flight since March of 2023 to negotiate the terms of the FBO agreement and related transfer documents. Under the proposed terms of the agreement, the following will occur:

1. Av Flight will be the designated Full Service FBO on Field and will be responsible for ensuring delivery of all required services under the FBO agreement, including fueling, aircraft maintenance, runway and airfield maintenance, and all related operational requirements. Av Flight's FBO agreement will be non-exclusive, in-line with previous FBO agreements.
2. Av Flight will be subcontracting aircraft maintenance services to a third party entity, which is allowed under the terms of our current FBO agreement, subject to approval by the Board. 3303 John F Donnelly Dr. (Ben Fogg) will be the third party

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423
P (616) 355-1363

Comprising City of Zeeland, Park Township and City of Holland



entity Av Flight is partnering with for aircraft maintenance. It is our understanding that Mr. Fogg will be retaining the existing aircraft maintenance team on-field (including current director of Maintenance Mike Tarr) to continue running the maintenance shop. Though Mr. Fogg and his team will be running maintenance, Av Flight will be the responsible party for ensuring maintenance services are delivered in accordance with the standards set out in the FBO agreement. Av Flight will be responsible for reporting directly to the Board regarding aircraft maintenance operations.

3. As part of the maintenance services, Mr. Fogg will be purchasing the existing FBO hangars from FlightLevel Aviation.
4. Av Flight will continue to provide fueling services. As the existing fuel farm approaches the end of its serviceable life, Av Flight will bring a proposal to the Board at a later date for construction of a new fuel farm facility.
5. Av Flight will continue to provide runway and airfield maintenance services. We are expecting an overall 16% increase in fees for airfield maintenance services (mowing, snow removal, and general repairs). The Board has not seen a significant increase in these fees over the tenure of the FBO agreement since the agreement first transferred from Tulip City Air Service to Fly By air. The two major driving factors behind the increase in service fees are A) an overall increase in wages, fuel, and materials and B) the high cost of maintenance on the aging equipment procured by Av Flight in this transfer. Currently this maintenance agreement goes through 2024. At that time, the Board can review whether the current model still makes sense.
6. Av Flights performance will be reviewed on an annual basis.

Av Flight has a strong reputation of professionalism, dedication, and partnership as well as a track record of success in supporting the Airports they partner with. Av Flight has proven to be a flexible, accommodating and responsive partner throughout the contract negotiation and transfer process. They have shown great interest in engaging early with on-field tenants and their team has had a strong presence at the airport over the last four months performing due diligence and building partnerships. Staff are comfortable with the proposal presented by Av Flight and their ability to assist the Airport Authority in meeting its goals for growth and increased activity.

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423
P (616) 355-1363

Comprising City of Zeeland, Park Township and City of Holland



The current goal is to close by June 15th, subject to finalization of details between FlightLevel and Av Flight.

Under the terms of the existing FBO Agreement, the Airport Authority must approve any sale or transfer of ownership of the FBO; however, approval by the Board cannot be unreasonably withheld.

Recommendation

The Board's Recommendation is contingent on the following conditions being met prior to execution of any final agreements:

1. Approved Transition plan is received by the Authority
2. All relevant insurance requirements are met by Av Flight and documented to the Authority.
3. Legal fees and costs incurred by the Authority related to the transfer be reimbursed to the Authority.

It is recommended:

1. That the Authority Board approve the Amended FBO Agreement as presented and attached;
2. The Board Approve the FBO Transfer Agreement as presented and attached;
3. The Airport Authority Board approve the sub-contact agreement for Aircraft Maintenance services as described above and attached;
4. The Airport Authority Approve the First Amendment to the Airport Maintenance Agreement;
5. That any substantive changes to the Agreements be brought back to the Authority for approval;
6. The Agreements are subject to final approval as to form by the Authority's Attorney and contingent on the conditions above having been met.
7. The Airport Authority's Attorney will provide a status update to the Board regarding the transfer at the **July 10th, 2023** Board Meeting.
8. That Board Chairperson be authorized to sign the Agreements on behalf of the Authority;

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9. A final asset transfer agreement be presented to the Board for review and approval at the July 10th Board Meeting; and,
- 10.** The Board will review the final hangar sale agreement between Flight Level Aviation and John F Donnelly Dr. and the Hangar License Agreement between John F Donnelly Dr. and Av Flight at the July 10th Board meeting.

Attachments:

1. Amended FBO Agreement
2. FBO Transfer Agreement
3. Subcontract Agreement of Aircraft Maintenance Services to 3303 John F. Donnelly Dr.
4. First Amendment to the Airport Maintenance Agreement

FIXED BASE OPERATOR AND LEASE AGREEMENT

West Michigan Regional Airport, Holland, Michigan

West Michigan Airport Authority / Avflight Holland Corporation

FIXED BASE OPERATOR AND LEASE AGREEMENT

THIS FIXED BASE OPERATOR AND LEASE AGREEMENT entered into with an effective date of the [] day of [May], 2023 (the "Agreement"), by and between the WEST MICHIGAN AIRPORT AUTHORITY, a Community Airport Authority formed under Act 206 of the Public Acts of 1957 (hereinafter referred to as the "Authority") and AVFLIGHT HOLLAND CORPORATION, a Michigan corporation, with its principal place of business located in Ann Arbor, Michigan (hereinafter referred to as the "Operator").

WITNESSETH:

The Authority is authorized to operate the West Michigan Regional Airport ("Airport") located in the City of Holland, County of Allegan, State of Michigan. The Authority has the authority to lease land and facilities at the Airport and to grant rights and privileges with respect thereto. Fixed base operation services are essential to the proper accommodation of general and commercial aviation at the Airport. The Authority desires to make such services available at the Airport and the Operator is qualified, ready, willing, and able to provide such services. Accordingly, the Authority and Operator desire to enter this Agreement pursuant to the terms hereof.

NOW, THEREFORE, IN CONSIDERATION OF THE PROMISES AND THE MUTUAL COVENANTS OBTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

1. **Term.** The term of this Agreement shall commence on the date hereof (the "Effective Date") and continue until December 31, 2053, unless earlier terminated under the provisions of this Agreement (the "Termination Date").

The Operator shall have the privilege of using, for the term of and subject to compliance with this Agreement or any extensions thereof, in common with others and the public, the public flying field known as the West Michigan Regional Airport, subject to the charges, rules, and regulations governing such field issued by the Federal and State Aeronautical Agencies, by the City of Holland, the Airport as governed by the Authority, and any other agency or entity which may have jurisdiction, in whole or in part, over the Airport. It is expressly understood that this privilege covers the entire period of the Agreement and any extensions thereof.

2. **Lease of Premises.** The Authority and the Operator acknowledge that the Authority has the full and complete jurisdiction and control of the Airport and the Authority shall operate the Airport in accordance with any and all existing agreements with the City of Holland and any federal and state authority relating to the required operation of the Airport. In consideration of the covenants and agreements of the Operator and the Authority as hereinafter set forth, the Authority leases to Operator the premises which are listed below and depicted and described more completely on the attached **Exhibit A-1 and Exhibit A-2** (the "Premises" or "Property") in accordance with the following:

A. **Ground Lease Premises.** The Authority hereby leases those properties described on **Exhibit A-1**, as may be modified as provided herein (the "Ground Lease

Premises”) to Operator; provided, however, that at any point following the removal of the Existing Fuel Farm (as defined below), that Operator may remove the Existing Fuel Farm Premises (as defined below) from the Ground Lease Premises effective upon delivery of notice to the Authority (“Fuel Farm Termination Notice”). Notwithstanding anything herein to the contrary, all of Operator’s rights and obligations hereunder with respect to the Existing Fuel Farm Premises, ~~including without limitation, the obligation to pay rent,~~ shall cease immediately upon delivery for the Fuel Farm Termination Notice. With respect to the Existing Fuel Farm Premises, the “term of this Agreement” shall refer to the time from the Effective Date until the earlier to occur of: (i) delivery by Operator of the Fuel Farm Termination Notice; or (ii) the Termination Date;

Commented [A1]: NTD: Rent is fuel flowage fees which are still required under this Agreement. There is no square footage rent obligation.

B. Building Lease Premises. The Authority hereby leases those properties described on **Exhibit A-2** and the buildings and improvements situated thereon (the “Building Lease Premises”) to Operator.

C. Included on the Property is certain real property on which the Operator shall maintain fueling facilities, storage, and conduct fueling operations. The Authority acknowledges and agrees that the Operator may use the Existing Fuel Farm until the completion of the New Fuel Farm (as defined below) and upon completion of the New Fuel Farm, the Operator shall be permitted to remove from the Existing Fuel Farm Premises all equipment constituting the Existing Fuel Farm, and shall be required to restore the Existing Fuel Farm Premises to the condition required by the Fuel Farm Lease Agreement, including removal of the fuel tanks. Operator shall comply with the terms and conditions of, and perform the tenant’s obligations under, the Fuel Farm Lease Agreement, attached as Exhibit D, which terms are incorporated into this Agreement, except that Sections 1, 2 and 3 in their entirety, and the fuel flowage fee rate in Section 6, shall not apply because those terms have been addressed and updated in this Agreement. To the extent the terms of the Fuel Farm Lease Agreement and this Agreement otherwise conflict, the terms of the Fuel Farm Lease Agreement shall control. The portion of the Premises on which the Operator shall build a fuel farm containing a minimum of one Avgas tank with a capacity of at least 10,000 gallons and one Jet-A tank with a capacity of at least 10,000 gallons for its fueling operations (the “New Fuel Farm”) is depicted on the attached **Exhibit B**, which area may be amended by the agreement of the Operator and Authority. Construction of the New Fuel Farm is subject to the Operator obtaining all necessary governmental permits and approvals, and ~~approval~~ of the Authority which the Authority agrees it shall not unreasonably withhold, condition or delay. The Authority shall join in the application for any permits, approvals, or certificates, whenever required, but Operator shall indemnify and hold the Authority harmless against and from all costs and expenses which may be incurred by the Authority. Operator agrees that a functioning fuel farm shall be maintained at the Airport at all times, except for emergency repairs.

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D. The Premises shall also include the following:

i. The underground fuel tanks and related fuel dispensing systems (the “Existing Fuel Farm”) located on the “Existing Fuel Farm Premises” as ~~included depicted~~ in **Exhibit A-1** and the Improvements included in **Exhibit A-2**;

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ii. Parking lots, driveways and landscaping depicted and described in **Exhibits A-1** and **A-2** and otherwise appurtenant to the Premises;

iii. A non-exclusive right of ingress and egress for vehicles and aircraft by Operator, its agents, licensees, invitees, subtenants, employees, and third parties using the Premises with the consent and approval of Operator on all existing or future roads, taxiways, aprons, or runways to be used in connection with the purposes permitted hereunder and the Operator's occupancy and use of the Premises.

The Authority warrants that it possesses the legal authority to lease the same in the manner provided herein.

3. **Performance Review: Strategic Planning.**

A. On the second anniversary of the Effective Date and every year thereafter during the term of this Agreement, the performance of the Operator shall be subject to evaluation in accordance with the following criteria (the "Evaluation"):

i. Whether the Operator has paid, without material delay and subject to all applicable notice and cure periods, all rents, charges, taxes and other amounts due under this Agreement to the Authority;

ii. Whether the Operator has performed, to the reasonable satisfaction of the Authority and subject to all applicable notice and cure periods, all of the duties and obligations required of the Operator as set forth in Section 5 below and all other covenants, agreements, and understandings as set forth herein;

iii. Whether there has been an ongoing Material Adverse Change since the last Evaluation. "Material Adverse Change" for purposes of this section, shall mean a material change in the financial condition of the Operator, which, has had or will have a material adverse effect or development on the Operator's ability to perform its duties and obligations under this Agreement, and Operator fails to provide assurances and reasonably adequate protection regarding its future ability to perform; provided, however, that none of the following (or the results thereof) shall be taken into account, alone or in combination, in determining whether a Material Adverse Change has occurred, providing such events are not caused by, the fault of, or otherwise within the control of the Operator and the Operator provides reasonable evidence proving the same: (i) any actual or proposed change in law, regulations, accounting rules or standards or interpretations thereof applicable to Operator; (ii) any change in international, national, regional, local or industry wide political, economic or business conditions (including financial and capital market conditions); or (iii) changes within the industry in which the business of the Operator operates;

iv. Whether new products, services, and amenities should reasonably be offered by the Operator either independently or through joint agreements with the Authority; and

v. Any other criteria, parameters and benchmarks as may be mutually agreed between the Operator and Airport.

In any given year, the Authority, in its sole and absolute discretion, may waive its right to perform an Evaluation, and in that instance shall notify the Operator of such waiver. Evaluations which the Authority elects to complete shall be performed by the Authority. The Operator shall provide any revenue documents and, in the instance of a default (see Section 20, below) all reasonably required additional information and documentation that may be relevant to the Evaluation and reasonably requested by the Authority within thirty (30) business days of receipt of such written request. It is hereby agreed between the Authority and the Operator, to the extent permitted by law, that the production of the revenue documents required by this Agreement, including any additional information and documentation as may be required by this paragraph, shall be in accordance with MCL 15.243(g) specifically providing that the production of these documents shall be exempt from the Freedom of Information Act pursuant to a promise and pledge of confidentiality by the municipality pursuant to Section 13(g) of said Act. .

If after completing the Evaluation the Authority reasonably determines there are material defects in the Operator's performance, the Authority shall provide written notice to the Operator of, and a ninety (90) day opportunity to cure, such material defects; provided, however, that if such material defect cannot reasonably be cured within such ninety (90) day period, such ninety (90) day period shall be extended for so long as reasonably necessary to permit Operator to cure such material defect so long as the cure efforts have begun within such initial ninety (90) day period. During such ninety (90) day cure period, the Operator and Authority shall work together in good faith to timely cure such material defects, and the Operator shall provide updates on its efforts as reasonably requested by the Authority. Thirty (30) days following receipt of such material defect notice, the Authority, in its commercially reasonable judgment, shall have the option to implement a performance improvement plan for Operator based upon the Evaluation and uncured material defects, which performance improvement plan shall include a timeline for termination of this Agreement if Operator fails to perform. If the Authority elects to terminate this Agreement following the expiration of the ninety (90) day cure period (as may be extended in accordance with this paragraph) or the expiration of the performance plan timeline, whichever is greater, then within thirty (30) days of such termination notice, a public hearing shall be held before the Authority Board to present evidence regarding the Authority's determination to terminate this Agreement. The Operator may produce any evidence to rebut the recommendations to terminate. The Authority Board shall receive a written report, including a copy of the Evaluation, and recommendation from any Committee as shall be designated to consider the termination of this Agreement. The Authority shall, upon conclusion of the public hearing, terminate or affirm the Agreement with the Operator. Findings of fact and conclusions of law shall be approved by the Authority relating to its decision to terminate or affirm.

B. In addition to the foregoing, the Authority and Operator shall meet on the fifth anniversary of the Effective Date, and every five (5) years thereafter during the term of this Agreement, to review the scope, extent, planning and direction of the Airport and its incidental operations, and the demands and strategic priorities of the Airport (the

“Strategic Plan”). The Operator and Authority shall work in good faith to identify commercially reasonable opportunities, objectives, and resources that can be adopted by the parties to effect such Strategic Plan. Actions taken to implement the Strategic Plan may be taken into consideration by the Consultant in performing the following scheduled Evaluation. Additionally, the Authority shall provide a copy of its written strategic plan, as well as any amendments thereto, to the Operator, which the Operator shall review and make good faith efforts to incorporate into its ongoing implementation of the Strategic Plan. The Operator shall be invited to attend any strategic planning meetings of the Authority Board, which the Operator shall endeavor to attend.

4. **Payments and Reporting Requirements.**

A. **Payments to the Authority.**

i. In consideration of the rights and privileges granted by this Agreement, Operator shall pay to the Authority an annual operating/franchise fee, which fee is currently Twenty-Seven Thousand Four Hundred Seventy Nine and 16/100 Dollars (\$27,479.16), payable in equal monthly installments. Payments of the monthly installments shall be paid in advance on the first day of each month, provided, if the first day of any month is not a business day, such payment shall be made on the first business day of the month.

The Authority may, in its sole and complete discretion, grant a waiver in whole or in part of the annual franchise fee to be paid by the Operator to the Authority. The granting of such waiver shall not impair the right of the Authority to reinstate the franchise fee in subsequent years in accordance with the terms and conditions of this Section (4)(A)(i). Any waiver of the franchise fee shall be in writing, executed by the duly authorized representative of the Authority and the Operator.

Commencing on the first anniversary of the Effective Date and each year thereafter, there shall be an adjustment to the franchise fee as hereinafter set forth (“Index Adjustment”). All Index Adjustments shall be cumulative, and shall be based upon any increase in the Consumer Price Index as published by the Bureau of Labor Statistics (“Index”) but, notwithstanding anything to the contrary contained herein, shall in no event exceed five (5%) percent in any one calendar year.”). For purposes of this Agreement, the Index means the final index for all items for urban wage earners and clerical workers commodity groups for the United States as determined by the United States Department of Labor, Bureau of Statistics, or any replacement index published by the United States. The adjusted franchise fee for the twelve (12) months succeeding any adjustment and shall be the amount obtained by dividing the franchise fee in effect just prior to adjustment by the Index number for the month of June of the current year; provided, however, that in no case shall such adjustment result in a decrease in the franchise fee. Following each adjustment, the “franchise fee”, as used in this Agreement, shall mean the franchise fee as most recently adjusted. Until an Index Adjustment is made to the franchise fee in a calendar year, the Operator shall continue paying the

franchise fee previously in effect on a timely basis. Upon notification by the Authority of the adjusted franchise fee, Operator shall immediately pay to the Authority the difference between the franchise fee paid and that which would have been due had the Index Adjustment for the fiscal year been imposed at the beginning of the fiscal year and Operator shall thereafter continue paying the equal monthly installments of the adjusted franchise fee.

Should the United States Government revise its price index at any time, the parties hereto shall follow such suggestions as the government may publish for making an arithmetical change over from one Index to the other. If the Index shall cease to be published, a reasonable substitute index shall replace it for purposes of this Agreement.

ii. The Operator shall pay to the Authority rental for the Ground Lease Premises and Building Lease Premises as set forth on **Exhibit C**.

iii. Additionally, in the interest of supporting growth and maintaining the financial health and stability of the Airport, the Authority may request that the Operator pay additional amounts based upon increased fees and revenues from the operation of the Airport. Should the Authority wish to seek revised amounts to be paid by Operator to the Authority, the Operator shall consider and evaluate in earnest the Authority's request, and either pay such requested amounts or negotiate in good faith with the Authority to agree upon adjusted amounts; provided, however, that in no event shall Operator be required to make additional payments that would have an ~~negative-unreasonable or unsustainable~~ **adverse** financial impact on Operator's business.

iv. The Authority shall also receive and retain the following fees, payments, and charges:

- 1) Landing fees;
- 2) Fuel flowage fees of eleven cents (\$0.11) per gallon of fuel, which per gallon price may be subject to change as determined by the Authority;
- 3) Late fees equal to five percent (5%) of overdue payments, chargeable after ten (10) days' written notice from the Authority and opportunity to cure; and
- 4) Accrued interest at a rate equal to 1.5% per month calculated from the date a payment or reimbursement was due (without regard to any grace or cure periods) until the date on which the Operator pays such unpaid sum, plus all accrued interest thereon.

B. Payments to the Operator.

Commented [A2]: NTD: I think we understand the Operator's concern, and conceptually don't have a problem with the Operator's intention which we assume to be that the Authority can't get paid more if it's going to put the Operator in the red, but wouldn't any additional amounts paid to the Authority result in a negative financial impact to the Operator?

i. During the term of this Agreement, Operator shall receive and retain the following fees, payments and charges:

- 1) Hangar and other rentals for those facilities leased or owned by Operator;
- 2) tie-down fees;
- 3) gasoline and fuel sales;
- 4) maintenance fees paid by third parties for services performed by the Operator;
- 5) fees generated from sale of new and used aircraft;
- 6) an administrative fee paid by the Authority to Operator equal to fifteen (15) percent of all landing fees actually collected by the Operator and paid to the Authority;
- 7) aircraft handling fees as reasonably determined by the Operator (subject to approval of the Authority if required below); and
- 8) other fees and charges related to goods and services furnished by Operator and which are not owed to the Authority under Section 4(A) above.

ii. At the commencement of this Agreement, the Operator shall file with the Authority schedules of all fees, charges, and assessments which will be charged at the Airport. The Authority shall approve all fees, charges, and assessments which are initially filed with the Authority, so long as such fees, charges and assessments are reasonable and customary for full service FBO operations in the general market area of the Airport. If at any time during the term of this Agreement the Operator wishes to increase its fees, charges, and assessments for general items of service or product sold (excluding the price of rents to hangar subtenants for transient and long term aircraft storage or fuel, engine oils, glycol, or other commodities) by more than 10%, it shall seek advance approval from the Authority, which approval the Authority shall not unreasonably withhold, condition or delay. Subject to the foregoing, the Operator shall charge reasonable and customary prices for similar services as are charged by full service FBO operations in the general market area of the Airport.

iii. Except for charges for rents to hangar subtenants for transient and long term aircraft storage or fuel, oil, glycol, or other commodities, in the event the Operator requests an increase exceeding ten percent (10%), Operator shall file such request in writing with the Authority. The Authority shall refer the request for increase to any such committee as shall be designated by the Authority to administer the request. The Authority, or such other designated committee or entity, shall accept or reject the request for an increase based upon the following criteria:

- 1) whether the increased costs documents by Operator justify the proposed increase;
- 2) whether the level of profit disclosed by the Operator for the proposed increase is reasonable and consistent with the operation of the Airport;
- 3) the effect the increase will have on the public use of the Airport;
- 4) the effect the increase will have on the private use of the Airport;
- 5) such additional considerations relating to the health, safety, and welfare of the Authority which the Authority deems necessary and proper for the review of the rate increase.

The Authority may demand, and the Operator shall produce, such revenue documentation and other additional information and documentation that may be relevant and reasonably requested by the Authority as shall be necessary to review the Operator's request. The decision of the Authority shall be final. Notwithstanding anything in this Agreement to the contrary, in no event shall Operator be required to provide documentation of its profits and losses to the Authority.

C. Monthly Reporting; Books and Records.

i. Each month during the term of this Agreement, the Operator shall report to the Authority sufficient information and data, provided such data is reasonably accessible to the Operator, and maintained in the normal course of its business, to allow the Authority Board to monitor the amount of flight activity and fuel sales occurring at the Airport.

ii. The Operator shall maintain accurate records of retail fuel sales and adjusted gross receipts derived under this Agreement, and landing and parking fees collected, for a period of three (3) years from the date the record is made. Such records shall be maintained according to generally accepted accounting principles. The Operator's records in relation to this Agreement shall be open for inspection by the Authority to show Operator is financially capable of providing the services set forth in this Agreement, upon reasonable request and during normal business hours. Such information shall be held in strict confidence and shall not be disclosed without Operator's prior written consent.

D. Annual Statement. Within one hundred twenty (120) days after the end of each calendar year, Operator shall furnish to the independent auditor of the Authority, statements of revenue setting forth the aggregate revenue generated by the Operator at the Airport, certified by an Officer of the Operator as to its correctness. The Operator shall also furnish all reasonably required additional information and documentation that may be

relevant to an audit and reasonably requested by the Authority. The Authority reserves the right to audit said statements, at such reasonable time during business hours, for the purpose of verifying reported fuel sales, revenue, and landing and parking fees collected.

If the audit establishes that the Operator has understated fuel sales or adjusted gross receipts, or landing or parking fees collected, by three percent (3%) or more, the entire expense of the audit shall be borne by the Operator. Any additional payment due from the Operator shall forthwith be paid to the Authority, with interest thereon at the rate of 1.5% per month from the date such amount originally became payable to the Authority. Any overpayment by Operator shall be credited against further payments due to the Authority. Either party may refer the results of the audit for resolution in accordance with Section 4(E), below.

E. **Disputes.** In the event that any dispute may arise as to fuel sales, or landing or parking fees collected, the dispute shall be submitted to a certified public accountant, agreeable to both parties, who shall determine the rights of the parties hereunder in accordance with generally accepted accounting principles and, upon final determination, any amount determined to be due shall be immediately payable. The fees due said accountant for such service shall be paid by the unsuccessful party, or in the event the determination is partially in favor of each party, the fee shall be borne equally by the parties.

5. **The Rights and Obligations of Operator.** Operator recognizes the privilege of operating a publicly funded airfield and that the Airport and Authority are subject to local, regional, state and federal laws, including rules and regulations of the Federal Aviation Administration (the "FAA"). Operator further recognizes that, in addition to operating as a private entity and independent contractor, it is contracting with the Authority to provide critical aviation services to the public which is the primary purpose of the Airport.

A. **Required Services.** Operator is hereby granted the non-exclusive privilege to engage in or make available and Operator agrees to engage in or make available the Required Services, hereinafter set forth, during hours which are mutually agreeable to the Authority and the Operator to operate and maintain the Airport. In the event the Authority and the Operator cannot agree, the Authority shall establish reasonable hours of operation for the Required Services which shall be consistent with airports of similar size conducting similar volumes of business. All Required and Authorized Services conducted by the Operator shall be solely offered and performed at the Airport unless the Authority consents to another location, and operations at the Airport are, and are to be treated as, separate from and independent of operations at other airports being serviced by the Operator. The Operator shall provide written notice to the Authority should the Operator be rendered unable or incapable of delivering or making available any of the Required Services ("Required Services Failure"), within three (3) days of the occurrence of such Required Services Failure. For purposes of this Section 5(A), a Required Services Failure means an inability or incapacity that lasts or is expected to last more than ten (10) business days. Failure to timely cure a Required Services Failure shall constitute a default under this Agreement subject to all applicable notice and cure periods. Any person, firm or entity hired or otherwise engaged by the Operator to provide any of the Required Services must

be approved in advance by the Authority; provided however, that the Authority hereby consents to [FOGG ENTITY] providing the maintenance services specified in subparagraph 5(A)(iii), subject to the approval by the Authority of either the Operator's assumption of the existing maintenance agreement or the execution of a new maintenance agreement. The Required Services shall be:

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i. Sales and into-plane delivery of aviation fuels, lubricants, and other related aviation products. At a minimum, the Operator shall provide an adequate supply of Aviation Jet A fuel and Aviation 100LL avgas. In the event during the term of this Agreement, the fuel for the operation of aircraft or aircraft operations generally changes, the Operator shall make such changes and modifications for new fuel products at the Airport. The Authority shall allow fuel storage facilities by third parties other than Operator during the term of this Agreement; however, all fueling facilities shall comply with the minimum standards of Section 5(C)(vii). Other than contract fuel sales for which Operator is the into-wing agent, no fuel shall be sold by third parties for consumption by others unless they apply for fuel sale permits and are able to comply with minimum standards for fuel operations and the Authority shall restrict such fuel storage facilities to the designated third party.

ii. Apron servicing of, and assistance to, aircraft, including itinerant parking, storage and tie-down service, for both based and itinerant aircraft upon or within facilities leased to Operator or aircraft parking areas designated by the Authority.

iii. Repair and maintenance of based and transient aircraft on site at the Airport. Operator agrees to provide maintenance services for engines, airframes and accessories at the Airport in compliance with FAA regulations and requirements. Operator acknowledges that no right or privilege has been granted under the terms and conditions of this Agreement which would prevent any person, firm, or entity operating aircraft on the Airport from performing service on its own aircraft, with its own regular employees, including maintenance and repair services, nor prevent any other service provider from providing such services at the Airport, so long as such other person, firm, entity or service provider complies with minimum Operating Standards as set forth below and otherwise required by law. Notwithstanding the foregoing, no person, firm or entity shall commence maintenance and repair services at the Airport unless and until a Certificate of Insurance has been filed with the Authority in conformance with the provisions of **Exhibit N** hereof, relating to the levels of insurance required for its operations.

iv. Customary accommodations for the convenience of users, including pilot lounge area, informational services, direct telephone service connections to the Flight Service Station and other acceptable weather information services.

v. Equipment and trained personnel to remove disabled aircraft with a gross landing weight of twelve thousand five hundred (12,500) pounds or less from the Air Operations Area, and Operator shall perform such removal service on request. As used in this Agreement, "Air Operations Area" shall mean those

portions of the Airport provided and made available by the Authority for aircraft and related operations, and shall include aircraft runways, taxiways, ramps, aprons and parking spaces, and areas directly associated therewith, which are not leased by Operator or any other tenant on the Airport.

vi. Sales of avionic and engine parts and instruments and accessories.

vii. Ramp service to a Main Terminal or other Airport locations for normal operational customer service, including loading and unloading of passengers and baggage, and providing of ramp equipment, aircraft cleaning and other services for air carriers and other persons or firms.

viii. Assistant Airport manager services, including overseeing the general day-to-day operations of the Airport, acting as liaison between Airport users and the Authority and its staff, keeping the Authority and its staff informed of Airport activities and the need for maintenance and improvements, and assembling data on the use of the Airport, including number of flights, special events and activities. Additionally, the Operator shall assist and advise the Authority and its staff in enforcing federal, state and local rules and regulations pertaining to airports, aircraft and air personnel, posting of local rules, traffic patterns and noise abatement procedures, if any, and filing notices with the proper federal agency indicating any change in the condition of the Airport.

B. Authorized Services. In addition to the services required to be provided by Operator pursuant to Section 5(A), above, Operator is authorized, but not required, to provide the following services and to engage in the following activities:

i. Ramp service to a Main Terminal or other Airport locations for non-customary operational customer service, including loading and unloading of mail, freight and other large cargo.

ii. Special flight services, including aerial sight-seeing, aerial advertising and aerial and aerial photography.

iii. The sale of new and used aircraft.

iv. Flight training, including ground school, and supporting the flight schools of other operators at the Airport.

v. Aircraft rental.

vi. Aircraft charter operations conducted by Operator, and supporting the charter operations of transient operators at the Airport. In the instance of competitor operators on site at the Airport who require support services from Operator, such competitor operators shall enter into a service agreement with the Operator, a copy of which shall be provided to the Authority.

vii. Maintenance and operation of an FAA approved repair station for avionics - Classes I and II.

viii. Sales of avionic and engine parts and instruments and accessories.

ix. Such additional authorized services as the Authority and Operator shall mutually agree. No additional authorized services shall be commenced by the Operator without the mutual agreement of the Authority. Failure to comply with this subsection shall constitute a breach of this Agreement and all revenue derived from such services by the Operator shall be paid to the Authority.

C. **Operating Standards.** In providing any of the Required and/or Authorized Services or activities specified in this Agreement, Operator shall operate for the use and benefit of the public and shall meet or exceed the following standards:

i. Operator shall furnish service on a fair, reasonable and non-discriminatory basis to all users of the Airport. Operator shall furnish good, prompt and efficient service adequate to meet all reasonable demands for its services at the Airport based upon reasonable customer demands, which the Operator is responsible for understanding and evaluating at all times. Operator shall charge fair, reasonable, and non-discriminatory prices for each unit of sale or service; provide, however, that Operator may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers.

ii. Operator shall select and appoint a full-time manager, or more than one manager who in conjunction work the equivalent of a full-time manager, of its operations at the Airport who shall be approved by the Authority. The manager(s) shall be qualified and experienced, and vested with full power and authority to act in the name of the Operator with respect to the method, manner and conduct of the operation of the fixed base services to be provided under this Agreement. The manager(s) shall be reasonably available at the Airport during regular business hours and during the manager's or managers' absence a duly authorized subordinate shall be in charge and available at the Airport. The Consultant may review the performance of the Operator's manager(s) as part of the Evaluation process.

iii. Operator shall provide, at its sole expense, a sufficient number of employees to provide effectively and efficiently the services required or authorized in this Agreement. The number of employees shall be reasonably determined by the Operator in its sole discretion; provided, however, that failure to provide a sufficient number of employees ~~as determined by Operator in its reasonable discretion~~ in accordance with this paragraph shall constitute a default under this Agreement, subject to applicable notice and cure periods.

iv. Operator shall meet all expenses and payments in connection with the use of the Premises and the rights and privileges herein granted, including taxes, permit fees, license fees, and assessments lawfully levied or assessed upon the Premises or property at any time situated therein and thereon. Operator may,

however, at its sole expense and cost, contest any tax, fee or assessment as long as the contest does not jeopardize the continued airport operation.

v. Operator, and any person, firm or entity hired or otherwise engaged by the Operator, shall comply with all federal, state and local laws, rules and regulations which may apply to the conduct of the business contemplated, including rules and regulations promulgated by the Authority, and the Operator, and any person, firm or entity hired or otherwise engaged by the Operator, shall keep in effect and post in a prominent place all necessary and/or required licenses or permits.

vi. It is expressly understood and agreed that, in providing required and authorized services pursuant to this Agreement, Operator shall have the right to choose, in its sole discretion, its vendors and suppliers to the extent not prohibited by the nondiscriminatory provisions of this Agreement.

vii. During the term of this Agreement, Operator, and any person, firm, or entity hired or otherwise engaged by the Operator, desiring to engage in the following activities, shall be allowed and permitted only if the person, firm, or entity, including the Operator, complies with the following minimum operating standards, which are delineated as follows: (i) aircraft sales (see attached **Exhibit E**); (ii) air frame, power plant repair (see attached **Exhibit F**); (iii) air craft rental (see attached **Exhibit G**); (iv) flight training (see attached **Exhibit H**); (v) aviation fuels and oil dispensing services (see attached **Exhibit I**); (vi) avionics, instrument, and propulsion repair services (see attached **Exhibit J**); (vii) air taxi services and commuter airline operations (see attached **Exhibit K**); (viii) multiple services (see attached **Exhibit L**); (ix) flying clubs (see attached **Exhibit M**).

D. **Signs.** During the term of this Agreement, Operator shall have the right, at its expense, to place in or on the Premises a sign or signs identifying Operator. Said sign or signs shall be the size, shape and design, and at a location or locations, approved by the Authority and in conformance with any overall directional graphics or sign program established by the Authority. The Authority's approval shall not be unreasonably withheld. Notwithstanding any other provision of this Agreement, said sign(s) shall remain the property of the Operator. Operator shall remove, at its expense, all lettering, signs and placards so erected on the Premises at the expiration of the terms of this Agreement.

E. **Non-Exclusive Right.** It is expressly understood that this Agreement gives no exclusive rights to the Operator to provide any or all of the services described in this Agreement. It is specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and the Authority reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature as described herein. Notwithstanding the foregoing, to the extent that the Authority grants additional rights and privileges for operation, the Authority does covenant and agree that:

i. It shall enforce all minimum operating standards or requirements for all aeronautical endeavors and activities conducted at the Airport;

ii. Any other Operator or aeronautical endeavors or activities will not be permitted to operate on the Airport under rates, terms of conditions which are more favorable than those set forth in this Agreement;

iii. It will not permit the conduct of an aeronautical endeavor or activity at the Airport except under an approved lease and operating agreement and as set forth on Exhibits E-M.

6. **Appurtenant Privileges and Responsibilities.**

A. **Use of Airport Facilities.** The Authority and the Operator acknowledge that the Authority has the full and complete jurisdiction, authority, and control of the Airport. Operator shall be entitled, in common with others so authorized, to use of all the facilities and improvements of a public nature which now are or may hereafter be connected with or appurtenant to the Airport, including the use of landing areas, runways, taxiways, navigational aids, terminal facilities and aircraft parking areas designated by the Authority.

B. **Aerial Approaches.** The Authority reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Operator from erecting or permitting to be erected, any building or other structure on or adjacent to the Airport which, in the opinion of the Authority, would limit the usefulness of the Airport or constitute a hazard to aircraft.

7. **Leasehold Improvements.**

A. **Required Improvements.**

i. The Authority shall pay and be responsible for the capital improvements to the Airport as shall be required by state and/or federal regulations.

ii. With respect to the Ground Lease Premises only, in case it shall become necessary to construct any fences for the protection of the public using the Airport as a public facility, or said construction is deemed necessary by the Authority to preserve substantial uniformity of appearance of all buildings at the Airport, or if Federal authorities require the construction thereof, such fence shall be erected at the Operator's expense, and only after approval and consent is had from the Authority as to location and type of fencing. Upon the giving of notice by the Authority to the Operator, in writing, requesting that fencing be erected on the Ground Lease Premises or immediately surrounding any portion thereof, the Operator shall erect such fencing as soon as reasonably possible and maintain the same in good repair and condition at all times in accordance with this Agreement.

B. **Optional Improvements by Operator.**

i. In the event Operator desires to construct, erect, or make optional improvements to the Airport or any portion thereof which exceeds \$20,000 (an "Improvement"), Operator shall submit detailed plans and specifications to the Authority for all of the proposed Improvements. The Authority agrees that it shall either approve the plans and specifications as submitted, or shall transmit proposed revisions to the Operator, within thirty (30) days of the receipt of the plans and specifications. In the event that the Authority requires revisions to the original plans and specifications, the Operator shall have thirty (30) calendar days from the date of receipt of the proposed revisions to re-submit the plans and specifications for the Authority's approval. The Authority's approval of the plans and specification shall not be withheld unreasonably. Optional improvements not exceeding \$20,000.00 which Operator elects to construct, erect or make which do not require advance approval of the Authority under this Section 7(B)(i) shall not violate existing FAA regulations or Airport building restrictions and standards.

ii. Upon receiving final Authority approval on the plans and specifications, the Operator shall engage one (1) or more qualified contractors to construct said Improvements. Construction shall commence and be completed in accordance with a schedule mutually agreed by Operator and the Authority. Any contractor retained by Operator to erect the Improvement shall present to the Authority certificates of insurance in accordance with the customary insurance specifications of the Authority for contractor construction on the date of the commencement of the Improvement, and shall construct the Improvement(s) in accordance with all regional, local, state and federal laws and regulations.

iii. Prior to the approval of any Improvement, the Operator shall present to the Authority a statement outlining the costs and the anticipated useful life of the Improvement. In the event this Agreement is not renewed beyond its Termination Date with the Operator, the Authority shall have the right, but not the obligation, to purchase the Improvement based upon the fair market value of the Improvement without any valuation attributable to the land on which the Improvement is located. For purposes of this Section 7(B)(iii), the Authority and the Operator shall select a mutually agreeable appraiser to determine the fair market value of the Improvement utilizing the three (3) recognized approaches to value (cost, market, and income) if deemed relevant and appropriate. The cost of the appraiser shall be equally divided between the Authority and the Operator. The determination of the fair market value of the Improvement shall be determined without regard to the term of the lease on which the Improvement is located. The determination of fair market value by the agreed appraiser shall be the purchase price for the purchase of the Improvements by the Authority. Within sixty (60) days after determination of the purchase price, the Authority may elect to purchase the Improvement and shall notify the Operator in writing. The purchase price shall be paid in cash or on such terms and conditions as the Authority and the Operator shall agree (including the installment payment for Improvements).

In the event the Authority and the Operator fail to agree on a mutually acceptable appraiser, the Operator and the Authority shall each obtain its separate

and respective appraisals of the Improvements, at its respective cost, utilizing the valuation methodology indicated in the prior paragraph. The purchase price for the Improvements shall be the average of the two (2) appraisals by the Authority and the Operator. The purchase of the Improvements shall be paid in cash or subject to such terms and conditions as the Authority and the Operator shall mutually agree (including the installment payment of the Improvements).

iv. Notwithstanding the foregoing, the Authority is granted the sole and complete right to reject any proposed Improvement by the Operator; provided, however, the Authority shall not prohibit a New Fuel Farm from being built on and otherwise added to the Premises, but such construction plans, location and proof of all governmental approvals and permits must be submitted to and approved by the Authority before construction commences. The Authority may grant its approval of the Improvements conditioned upon the Operator agreeing to demolish and tear down the Improvements at the end of the useful life of the proposed Improvement, and may require adequate assurances therefore. Notwithstanding anything herein to the contrary, the Authority consents to Operator removing the improvements constituting the Existing Fuel Farm at any point following the completion of the New Fuel Farm.

C. Third Party Improvements.

In the event a person other than the Operator (a "Third Party") desires to construct, erect, or make Improvements to the Airport, or any portion thereof, the Authority shall notify the Operator of the proposed Improvements. Improvements proposed by the Authority for the Premises shall be subject to the consent of the Operator, which shall not be unreasonably withheld, conditioned or delayed. With respect to property outside the Premises, the Authority retains the complete and sole right to make, accept or reject any proposed Improvements to the Airport by a Third Party.

D. Notice of Improvement and FAA Approval.

Prior to the commencement of any Improvement pursuant to Sections 7(A), (B), or (C), the Authority, Operator, Third Party, or such designated contractor and representative shall comply with all federal, state, and local notice requirements and plan reviews of any federal, state or local agency, including but not limited to the FAA and the Michigan Aeronautical Commission (MAC). To the extent that portions of this Agreement shall govern the duration for plan review and approval, these covenants, conditions, and agreements shall not be binding on any federal, state, or local regulatory authority, including but not limited to the FAA and MAC. All Improvements, whether during construction or upon completion, shall be subject to the inspection and approval of the Michigan State Fire Marshal, the City of Holland, the Authority and any other representatives of interested state, county or local governments.

8. Maintenance and Use of the Leased Premises.

A. Ground Lease Premises. With respect to the Ground Lease Premises, during the term of this Agreement, Operator shall, at its own expense, maintain the Ground Lease Premises, including any improvements thereon, and shall keep the same in good and safe working order, repair, appearance and condition, free of weeds, rubbish, or any unsightly accumulations of any nature whatsoever, except for (i) reasonable wear and tear, (ii) damage from casualty or a taking or other force majeure event as defined in Section 20(E)(i) and, (iii) damage caused by the Authority or its respective employees, contractors, or invitees, and shall make all necessary repairs and replacements thereto. Operator shall be responsible for all landscaping maintenance for the Ground Lease Premises, and all maintenance, upkeep, snowplowing and repair of access roads, taxiways and ramp areas for all portions located within the Ground Lease Premises. All maintenance and repairs shall be performed and completed in a manner required to preserve the Ground Lease Premises in the condition required hereunder, and shall be in accordance with any federal, state, and local requirements. In the event Operator should fail to comply with the provisions of this paragraph, the Authority may enter on the Ground Lease Premises to perform necessary maintenance, upkeep, and repair and assess the Operator the cost therefor. Operator shall have the privilege of removing any or all of its buildings, alterations, additions, hangars or other of its improvements placed on the Ground Lease Premises, at any time prior to the expiration of this Agreement, or any extension thereof, providing that all rents due have been paid to date and Operator is not otherwise in default of this Agreement, the Authority's option to purchase under Section 7(B) has expired, and on such removal the Operator shall restore the affected area of the Ground Lease Premises to a graded and level condition and of neat appearance. If the Operator does not intend to remove its aforesaid improvements prior to the expiration of this Agreement, Operator shall give written notice of this fact to the Authority at least 60 days prior to such expiration, in which case the Authority may at its discretion require the Operator to remove any or all such improvements. Failure on the part of the Operator to remove such improvements shall entitle the Authority to cause to have any or all said improvements removed, and the cost of such removal shall become the sole obligation and responsibility of the Operator, or at the discretion of the Authority the improvements may be allowed to remain in place and shall thereupon become the sole property of the Authority without reimbursement to the Operator. Upon surrendering the Ground Lease Premises for any reason whatsoever, the Operator shall surrender possession to the Authority free and clear of any encumbrances whatsoever, excepting those placed thereon by the Authority.⁺ The Authority acknowledges that the Operator shall not be obligated to remove any improvements existing on the Ground Lease Premises as of the Effective Date (except as otherwise provided in this Agreement regarding the Existing Fuel Farm); provided, however, than any improvements made by Operator after the Effective Date shall be subject to the terms of this Section 8(A).

B. Building Lease Premises. With respect to the Building Lease Premises, during the term of this Agreement, Operator shall, at its own expense, maintain the

⁺NTD: This language is consistent with the Fogg entity lease, the previous leases with the FBO being incorporated into this agreement, and other ground leases at the airport, and therefore the Authority would prefer to keep this language for consistency.

Building Lease Premises, including any improvements thereon, and shall keep the same in good and safe working order, repair, appearance and condition, free of weeds, rubbish, or any unsightly accumulations of any nature whatsoever, except for (i) reasonable wear and tear, (ii) damage from casualty or a taking or other force majeure event as defined in Section 20(E)(i) and, (iii) damage caused by the Authority or its respective employees, contractors, or invitees, and shall make all necessary repairs and replacements thereto. Operator shall be responsible for all landscaping maintenance for the Building Lease Premises, and all maintenance, upkeep, snowplowing and repair of access roads, taxiways and ramp areas for all portions located within the Building Lease Premises. All maintenance and repairs shall be performed and completed in a manner required to preserve the Building Lease Premises in good order, and tenantable and useable condition. Upon termination of this Agreement, Operator shall return the Building Lease Premises to the Authority in no worse condition than the Building Lease Premises were in upon commencement of this Agreement, subject to reasonable wear and tear. All maintenance, upkeep, and repair shall be in accordance with any federal, state, and local requirements. In the event Operator should fail to comply with the provisions of this paragraph, the Authority may enter on the Building Lease Premises to perform necessary maintenance, upkeep, and repair and assess the Operator the cost therefor.

C. Use of Premises. Operator shall use and occupy the Premises to conduct its assistant Airport manager and fixed base operator functions for the Airport, including without limitation the maintaining, servicing and storing of aircraft, as defined and delineated in this Agreement, vehicular parking, . Operator shall not use the Premises for any other purpose without the express written consent of the Authority. Operator shall not use the Premises, or knowingly permit the Premises to be used, for the doing of any act or thing that constitutes a violation of any law, ordinance, or regulation of any government authority; nor shall Operator in any manner deface or injure the Premises, or permit any noise or odor that would violate any applicable law or regulation, or any hazardous material or contaminant to be emitted or spilled, or permit anything to be done on the Premises tending to create a health hazard or nuisance or to disturb others or to injure the reputation of the Premises. For avoidance of doubt, operation of fixed based operator facilities and the operation of aircraft shall not be deemed a violation of the foregoing. All rules and regulations of the Michigan State Fire Marshal shall be complied with by the Operator in the conduct of his operations of the Premises.

9. **Utilities and Special Assessments.** The Operator shall have the right to use any existing utility service facilities located on the Premises and the Airport utility service facilities (as approved by the Authority) located on the Premises at the commencement of the term of this Agreement. In addition, should Operator's operations require additional utility service facilities, the Operator shall, at its own expense, extend such facilities to the Premises. Special assessments which shall be levied against the Premises during the term of this Agreement shall be paid by the Authority. Special assessments levied against Operator's improvements or other property on or within the Premises, or as a result of the expansion or improvement to Operator's property, shall be paid by the Operator. The cost of connection to the public improvement shall be paid by the Operator. The Operator agrees, during the term of the Agreement, to comply with all federal, state and local laws, including all building codes, pertaining to sanitation, health, police and fire

protection. For purposes of this Section 9, utility services shall include water, storm and sanitary sewer, gas or electrical, telephone or any other utilities utilized or consumed on the Premises.

The Operator agrees to pay the cost of all utilities in connection with the Operator's operations at the Airport. With respect to shared spaces and utilities, the Operator shall pay its pro rata share of such utilities, but in no event will pay the cost of utilities for spaces it is not utilizing in its operations or that are not part of the Premises. In the event Operator fails to pay any utility bills when due, the Authority, may, at its option, pay the same and collect from the Operator the amount so disbursed, plus interest at the rate of 1.5% per month or a fraction thereof. Failure of the Operator to pay any utility bills when due, after expiration of the applicable notice and cure period under Section 20(B)(ii), shall constitute a payment default under this Agreement.

10. **Insurance.** During the term of this Agreement, the Operator shall obtain and maintain, or cause to be obtained and maintained, the amounts of insurance for its operations as set forth on the attached **Exhibit N**. Except for insurance coverage relating to the real and personal property improvements, the Operator shall name the Authority, the City of Holland, and their officers, agents and employees, as an additional insured on all policies procured pursuant to this Section 10. Additionally, the policy of insurance shall contain a clause or endorsement under which the insurer waives, or permits the waiver by Operator of, all right of subrogation against Authority, City of Holland, and their officers, agents and employees, with respect to losses payable under such policy. Notwithstanding anything to the contrary stated in this Agreement, failure of the Operator to provide required insurance coverage, upon written notice from the Authority and ten (10) day opportunity to cure, shall constitute a default under this Agreement.

The Authority shall obtain and maintain insurance coverage for the real and personal property improvements owned by the Authority, whether in existence on the date of this Agreement or erected subsequent hereto, on the Premises to the extent of their full insurable value. The Operator shall obtain and maintain insurance coverage for the real and personal property improvements owned or leased by the Operator, whether in existence on the date of this Agreement or erected subsequent hereto, on the Premises to the extent of their full insurable value. The Operator's Certificate of Insurance shall be filed with the Authority prior to commencement of any operations at the Airport by the Operator. The Certificate of Insurance shall provide that the Authority shall receive 30 days prior written notice before the insurance coverages pursuant to this Section 10 shall be amended, altered, or materially changed. Upon demand the Operator shall file copies of all policies with the Authority.

Every five (5) years during the term of this Agreement, either the Authority or the Operator shall have the right, on written notice to the other, to require that an independent insurance consultant, mutually agreeable to the Authority and the Operator, be retained to review the insurance coverages to be provided pursuant to this Section 10 to determine, based on the then-current insurance industry standards, whether the coverages are adequate. The Authority and the Operator, upon agreement with the consultant's recommendation, shall promptly implement any changes in coverage recommended by said consultant.

Operator shall bring or keep personal property upon the Premises solely at its own risk, and the Authority shall not be liable for any damages thereto or any theft thereof. Operator shall maintain a policy of insurance against risk of loss from any cause whatsoever to all Operator's

personal property, to the full extent of its replacement cost, which policy of insurance shall contain a clause or endorsement under which the insurer waives, or permits the waiver by Operator of, all right of subrogation against Authority, City of Holland, and their officers, agents and employees, with respect to losses payable under such policy, and Operator hereby waives all right of recovery which it might otherwise have against Authority, City of Holland, and their officers, agents and employees, for any damage to Operator's personal property which is (or by the terms of this Agreement is required to be) covered by a policy of insurance.

11. **Real Estate and Personal Property Taxes.** The Operator hereby agrees to pay all taxes, assessments, or other municipal charges levied by the City of Holland or other governmental entity on the due date thereof. Notwithstanding the prior sentence, the Operator shall have the right to contest the assessments in accordance with statute or ordinance. In the event Operator fails to pay any taxes, assessments or other municipal charges when due, the Authority, may, at its option, pay the same and collect from the Operator the amount so disbursed, plus interest at the rate of 1.5% per month or a fraction thereof. Failure of the Operator to pay any taxes, assessments or other municipal charges when due, after expiration of the applicable notice and cure period under Section 20(B)(ii), shall constitute a payment default under this Agreement.

12. **Environmental.**

A. Environmental Representations and Warranties of the Operator. The Operator hereby represents and warrants to the Authority as follows:

i. Operator's use and operation on the Premises shall be in material compliance with all applicable environmental requirements, statutes, regulations, permits, or judicial or administrative orders, or any contracts relating to the Premises (the "Environmental Laws");

ii. Operator's use, handling, storage, transportation, generation, and/or treatment of Hazardous Materials on the Premises, if any, shall be in material compliance with all applicable Environmental Laws;

iii. Operator shall not cause to be imposed on the Premises any private or governmental lien related to any Environmental Law or for costs incurred in response to any release of Hazardous Material;

iv. Unless conducted in compliance with a permit issued under applicable Environmental Laws, no activity shall be undertaken by Operator on the Premises which would cause: (i) the Premises to be considered a hazardous waste treatment, storage, or disposal facility as defined under any Environmental Law; (ii) a release or threatened release of Hazardous Material into any watercourse, surface, or subsurface water or wetlands; or (iii) the discharge of any Hazardous Materials into the environment;

v. Operator shall promptly notify the Authority in writing should Operator become aware of: (i) any release or threatened release of Hazardous Materials or the occurrence of any other environmental problem or liability with respect to the Premises or any real property adjoining the Premises; (ii) any lien

filed of the nature described in Section 12(A)(iii) above; (iii) any notice given to Operator from any subtenant or other occupant of the Premises or any notice from any governmental authority with respect to any release or threatened release of Hazardous Materials; or (iv) the commencement of any litigation or any written threat of litigation relating to any alleged unauthorized release of any Hazardous Materials or other environmental contamination, liability or problem with respect to or arising out of the Premises;

vi. Operator shall make available to the Authority from time to time upon written request by the Authority a copy of any material safety data sheets and any updates thereto which Operator is required to prepare, file, or maintain pursuant to applicable Environmental Laws for any regulated substance used or stored on the Premises;

vii. If, despite the provisions of this Agreement, a spill or emission of contaminants or Hazardous Materials should occur on the Premises, and without limiting the Authority's right to declare a default because of such an occurrence, Operator shall promptly notify the Authority and the appropriate governmental agencies and immediately take whatever steps may be necessary to clear up the spill or emission, protect the public health and the environment, and assure it does not happen again. Operator shall promptly, at its sole expense, take any and all necessary actions to return the Premises to the condition existing prior to the presence of any such Hazardous Material on the Premises. Notwithstanding the foregoing, Operator shall not be required to remediate any condition or Hazardous Materials on the Premises arising out of: (i) Environmental Conditions which were reported in the Environmental Assessment conducted by Operator prior to the commencement of this Agreement; or (ii) Environmental Conditions which cannot conclusively be proven to have been caused by the acts or omissions of Operator or its subtenants. Operator shall first obtain the Authority's approval for any such remedial action.

viii. Operator shall promptly comply with all spill and cleanup notification requirements arising under applicable Environmental Laws. Operator shall make verbal notification to the Authority immediately following any verbal notification to state and federal spill hotlines. Operator shall immediately provide the Authority with copies of any and all written notices of releases of Hazardous Material which are given by or on behalf of Operator to any federal, state, or local agencies or authorities. Operator shall also promptly provide the Authority with copies of any notices of responsibility or any other notices received by or on behalf of Operator from any such agencies or authorities concerning any noncompliance with Environmental Laws on or about the Premises, including without limitation notices regarding Hazardous Material or substances located on or about the Premises. In addition, in connection with any litigation or threat of litigation affecting the Premises, Operator shall deliver to the Authority any documentation or records as the Authority may reasonably request in connection with all such notices, inquiries and communications;

ix. Operator shall maintain the following records for a period of five (5) years to document that the Premises are being operated in compliance with the requirements of all applicable Environmental Laws affecting the Premises: (i) proof of insurance and/or financial assurance mechanisms required under Environmental Laws; and (ii) proof of all State of Michigan aboveground or underground storage tank registrations. Upon written request, Operator will provide, in a timely manner, any and all records described in this subsection to the Authority in order to facilitate the Authority's timely preparation and submission of any reports required to be submitted by the Authority pursuant to any applicable rules, regulations, laws, ordinances, orders, advisory circulars, or guidelines.

B. Environmental Audit. Prior to the Commencement Date, Operator shall conduct, at its sole expense and using a qualified independent environmental professional ("Environmental Professional") approved by the Authority and properly licensed to conduct business in Michigan, an Environmental Site Assessment Phase I and Phase II ("Environmental Assessment"). Operator shall submit a report (the "Audit Report") of all Environmental Assessment results to the Authority. Upon termination of this Agreement, the Authority may, at its sole cost and expense and using a qualified independent Environmental Professional licensed to do business in Michigan, an Environmental Assessment to confirm Operator's compliance with this Section 12. If noncompliance with this Section 12 is reasonably suspected by the Authority at any time during the term of this Agreement, the Authority shall have the right to require the Operator to obtain additional Environmental Assessments at Authority's sole cost and expense (each an "Additional Environmental Assessment") and take all actions necessary to remedy any noncompliance for which Operator is responsible under this Lease confirmed by such Additional Environmental Assessment. If Operator fails to conduct such additional Environmental Assessment required by the Authority, the Authority may, at its option, conduct such additional Environmental Assessment. If the Authority requires the Operator to obtain an Additional Environmental Assessment and the Additional Environmental Assessment identifies an Environmental Condition for which Operator would be liable under Section 12(C), the Operator shall reimburse the Authority for the cost of such Additional Environmental Assessment.

C. Environmental Indemnity. Operator shall be responsible for, and shall indemnify, protect, defend, and hold harmless the Authority, its employees, agents, officers, directors, successors and assigns from and against any and all claims, demands, actions, administrative proceedings (whether formal or informal), judgments, losses, damages, punitive damages, penalties, fines, stipulated penalties, liabilities, debts, costs, and expenses (including without limitation attorneys' fees and expenses) (collectively, "Losses"), arising out of or in connection with any Environmental Condition conclusively shown to be arising out of or resulting from Operator's use and occupancy of the Premises or Operator's breach of any of Operator's environmental covenants, representations, and warranties. Notwithstanding the foregoing, Operator shall not be held liable or obligated to indemnify the Authority for any Losses arising out of: (i) Environmental Conditions which were reported in the Environmental Assessment conducted by Operator prior to the commencement of this Agreement; or (ii) Environmental Conditions which cannot

conclusively be proven to have been caused by the acts or omissions of Operator or its subtenants.

For the purposes of this Agreement, "Hazardous Materials" shall mean any substance: (i) that is listed, classified, or regulated in any concentration pursuant to any Environmental Law; and/or (b) which because of its quantitative concentration, chemical, radioactive, flammable, explosive, infectious or other characteristics, constitutes or may reasonably be expected to constitute or contribute to a danger or hazard to public health, safety, or welfare, or to the environment, including without limitation, any petroleum product or byproduct, any asbestos (whether or not friable) and any asbestos containing materials, lead paint, waste oils, solvents and chlorinated oils, polychlorinated biphenyls (PCBs), toxic metals, etchants, pickling and plating wastes, explosives, reactive materials and compounds, pesticides, herbicides, radon gas, urea formaldehyde foam insulation and chemical, biological, or radioactive wastes or materials. "Environmental Condition" shall mean the presence, disposal, discharge, dispersal, release, escape, or migration of any Hazardous Material into or upon land, any structure on land, the atmosphere, or any watercourse or body of water, including groundwater and/or the presence of any abandoned underground storage tank or buried solid waste in, under, or on land or any structure on land.

13. **Indemnification.** Subject to and expressly excluding Operator's environmental indemnification obligations hereunder which are addressed in Section 12 above, and to the extent not covered by insurance carried in favor of Operator and the Authority, Operator shall keep and hold harmless the Authority from and against any and all claims, demands, suits, judgments, costs and expenses asserted by any person or persons, including agents or employees of the Operator, by reason of death or injury to persons or loss or damage to property, including without limitation property of third parties stored on the Premises, resulting from the Operator's operations, or anything done or omitted by the Operator, under this Agreement, except to the extent that such claims, demands, suits, judgments, costs and expenses may be attributed to the acts or omissions of the Authority or its agents or employees. This covenant of indemnification by Operator shall also include reasonable attorney fees and costs incurred by the Authority in connection with the defense of any claim, action, or charge. The items of this paragraph shall not indemnify and hold harmless the Authority for its own negligence. For avoidance of doubt, this Section 13 shall not apply to environmental matters.

14. **Operator as Independent Contractor.** In conducting its business hereunder, Operator acts as an independent contractor and not as an agent of the Authority. The selection, retention, assignment, direction and payment of the operator's employees shall be the sole responsibility of Operator and the Authority shall not attempt to exercise any control over the daily performance of duties by Operator's employees.

15. **Assignment.** This Agreement, or any part thereof, may be assigned, transferred or conveyed by the Authority to the City of Holland or any other operating entity or authority, as the Authority shall determine for purposes of administering the provisions contained therein. With the exception of subleasing hangar space owned by the Operator related to aeronautical purposes only including, without limitation, storage and maintenance of aircraft, which Operator shall be permitted to do without the consent of the Authority (each a "Permitted Transfer"), Operator shall

not (i) sublet the Premises or any part thereof, or (ii) permit any transfer, assignment, pledge, or encumbrance of any sublease, or (iii) transfer, assign, pledge, or otherwise encumber this Agreement or any rights or obligations hereunder, or (iv) allow same to be assigned by operation of law or otherwise (any such action being called an "assignment") without the prior written consent of the Authority. Operator is expressly prohibited from assigning or subletting this Agreement or transferring any equity ownership in the entity of Operator without the express written consent of the Authority, which consent shall not be unreasonably or arbitrarily withheld, conditioned, or delayed. The Authority shall have the right to renegotiate and amend the terms of this Agreement as a condition of approving an assignment or subletting of this Agreement or any membership interest transfer of the Operator other than a Permitted Transfer. The Operator shall insure that none of its Permitted Transfer subtenants use the Premises in a manner that would constitute a violation of any provision of this Agreement.

16. **Non-Discrimination.** The Operator for itself, its heirs, personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Premises as described in this Agreement for a purpose for which a Department of Transportation program or activity is extended or benefits, the Operator shall maintain and operate such facility and services in compliance with all other requirements imposed pursuant to 49 CFR, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended.

The Operator for itself, its personal representatives, successors in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that:

A. No person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities;

B. That in the construction of any improvements on, over or under such land, and the furnishing of services thereon, no person on the grounds of race, color or national origin shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination;

C. Operator shall use the Premises in compliance with all of the requirements imposed by or pursuant to 49 CFR, Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, as said regulations may be amended.

17. **Requirements of the United States.** This Agreement shall be subject and subordinate to the provisions of any existing or future agreement between the Authority and the United States, or any agency thereof, relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development or operation of the Airport; provided, however, that the Authority shall, to the extent permitted by law, use its best efforts to cause any such agreements to include provision protecting and preserving the rights of the Operator in and to the Premises, and to compensation for the taking thereof, interference therewith and damage thereto, caused by such

agreement or by actions of the Authority of the United States pursuant thereto. The Authority reserves the right to further develop or improve the landing area of the Airport as it sees fit, and without interference or hindrance. The Authority also reserves the right to take any action it considers necessary to protect the aerial approaches of the Airport against obstruction, together with the right to prevent Operator from erecting or permitting to be erected any building or other structures on the Airport which, in the reasonable opinion of the Authority, would limit the usefulness of the Airport or constitute a hazard to aircraft.

18. **Nondiscrimination Under Fees.** The Operator agrees to furnish the service as described in this Agreement on a fair, equal, and not-unjustly discriminatory basis to all users thereof, and to charge fair, reasonable and no unjustly discriminatory prices for each unit or service; provided, that the Operator may be allowed to make reasonable and non-discriminatory discounts, rebates, or other similar types or price reductions to a volume purchaser in its network.

19. **Affirmative Action.** The Operator assures that it will undertake an affirmative action program as required by 14 CFR, Part 152, Subparagraph E, to insure that no person shall, on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in 14 CFR, Part 152, Subpart E. The Operator assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or activity covered by this subpart. The Operator assures that it will require that its covered suborganizations provide assurances to the Operator that they, similarly, will undertake an affirmative action program, and assurances from their suborganizations, as required by 14 CFR, Part 152, Subpart E, to the same effect.

20. **Default and Termination.**

A. **Termination by the Operator.** This Agreement shall be subject to termination by the Operator in the event of any one or more of the following events:

- i. The abandonment of the Airport as an airport or airfield for any type, class or category of aircraft as classified by the FAA.
- ii. The default by the Authority in the performance of any of the terms, covenants or conditions of this Agreement, and the failure of the Authority to remedy, or undertake to remedy, to the Operator's satisfaction, such default for a period of thirty (30) days after receipt of notice from Operator to remedy the same.
- iii. Damage to or destruction of all or a material part of the Premises or Airport facilities necessary to the operation of Operator's business which the Authority does not commence repair or reconstruction within sixty (60) days of the loss.
- iv. The lawful assumption by the United States, or any authorized agency thereof, of the operation, control or use of the Airport, or any substantial part or parts thereof, in such a manner as to restrict substantially Operator from conducting business operations for a period in excess of ninety (90) days.

Upon occurrence of any of the above events, the Operator shall terminate this Agreement upon 180 days notice to the Authority.

B. Default by the Operator. This Agreement shall be in default in the event of any one or more of the following events:

i. The default by Operator in the performance of any term, covenant, or condition of this Agreement which imminently jeopardizes the safety and integrity of the public and Airport operations in the sole discretion and determination of the Authority upon 24 hours written notice to the Operator, and the failure of Operator to undertake to remedy the imminent danger within such 24 hours, and cure such imminent danger within no more than five (5) days, to the Authority's reasonable satisfaction, after receipt of notice from the Authority to remedy same.

ii. The default by Operator in the performance of any other material term, covenant, or condition of this Agreement, including without limitation payment of any amounts owed under this Agreement, and the failure of Operator to remedy, or undertake to remedy, to the Authority's reasonable satisfaction, such default for a period of thirty (30) days in the case of payment defaults, and for a period of ninety (90) days for any other defaults (excepting insurance defaults under Section 10), after receipt of notice from the Authority to remedy the same.

iii. The occurrence of a default under any other agreement between the Authority and Operator, and the failure of the Authority to cure the same within the applicable period specified in that agreement.

iv. If, after the commencement of the term of this Agreement, the Operator or its successor shall (i) be adjudicated bankrupt or adjudged to be insolvent pursuant to the provisions of any state or federal insolvency or bankruptcy law, (ii) a receiver or trustee of the property and affairs of the Operator shall be appointed, (iii) an assignment shall be made of Operator's property for the benefit of creditors or if a petition shall be filed by or against Operator seeking to have Operator adjudicated insolvent or bankrupt pursuant to the provisions of any state or federal insolvency or bankruptcy law, and such petition shall not be withdrawn and the proceedings dismissed within ninety (90) days after the filing of the Petition, or for any execution or attachment shall be issued against operator or any of Operator's property, whereby the premises (including any improvements thereon) shall be taken or occupied by someone other than the Authority, then and in such event, Authority may terminate this Agreement by written notice to the Operator, provided, however, if the Order of Court creating any of such disability shall not be final by reason of pendency of such proceedings, or appeal from such order, or if the petition shall not have been withdrawn or the proceedings dismissed within ninety (90) days of the filing of the petition, then Operator shall not have the right to terminate this Agreement as long as Operator performs its obligations hereunder. If, as a matter of law, the Authority has no right in the bankruptcy of the Operator to terminate this Agreement, then, if Operator, as debtor, or its trustee,

wishes to assume this Agreement, in addition to curing or adequately assuring the cure of all defaults existing under this Agreement on Operator's part on the date of the filing of the proceedings, Operator, as debtor, or the trustee must also furnish adequate assurances of future performance under the Agreement. In a reorganization under any applicable chapter of the Bankruptcy Code, the Operator or trustee must assume this Agreement or assign it, in accordance with the provisions hereof within 120 days from the filing of the proceeding or it shall be deemed to have rejected and terminated this Agreement. Any assignment shall be subject to the proposed assignee demonstrating to the Authority its reasonable ability to comply with each and every requirement to be performed by Operator in this Agreement.

C. Termination of Agreement Upon Default. Upon the occurrence and continuance of an event of default by Operator after any applicable cure period:

i. The Authority may, at its option, elect to terminate this Agreement by giving written notice of such election to Operator. Within thirty (30) days of such termination notice, a public hearing shall be held before the Authority Board to present evidence regarding the Authority's determination to terminate this Agreement. The Operator may produce any evidence to rebut the recommendations to terminate. The Authority Board shall receive a written report, including copies of any such documentation it reasonably requests from the Operator, and recommendation from any Committee as shall be designated to consider the termination of this Agreement. The Authority shall, upon conclusion of the public hearing, terminate or affirm the Agreement with the Operator. Findings of fact and conclusions of law shall be approved by the Authority relating to its decision to terminate or affirm a notice of election to end the term of this Agreement. If the decision to terminate is affirmed in accordance with the foregoing, this Agreement shall cease, and all rights of Operator to continue its operations shall end; provided, however, termination of the Agreement under this Section 20(C)(i) shall not release, discharge or otherwise terminate Operator's monetary obligations to the Authority under the Agreement and Operator shall continue to otherwise be liable to the Authority as provided herein.

ii. Upon any such termination of the term of this Agreement, or at any time hereafter, the Authority may, in addition to and without prejudice to any other rights and remedies the Authority may have at law or in equity, re-enter the Premises, and recover possession thereof and dispossess Operator, its assigns and successors of the Premises in the manner prescribed by the statutes. In case of any such default, reentry, expiration and/or dispossession by summary proceedings, the Authority may re-let the Premises or any part or parts thereof, either in the name of the Authority or otherwise, for a term or terms which may, at the Authority's option, be less than or exceed the period upon which would otherwise have constituted the balance of the term of this Agreement, and may grant concessions or free rent as may be reasonable under the circumstances; or in lieu of re-letting all or any part of the Premises, the Authority may operate the same and collect rents from subtenants.

iii. The Operator or the legal representative of the Operator shall waive all damages for the failure of the Authority to observe and perform Operator's covenants, herein contained, any and all claims to all rental sums paid to the Authority and/or covenants to be paid, plus all other payments and all taxes, utility expenses, and insurance premiums. Any unpaid damages shall be paid by the Operator within ten (10) days after demand has been made by the Authority, and any suit brought to collect the amount of the efficiency for such period shall not prejudice in any way the right of the Authority to collect damages for any subsequent period by similar proceeding or other appropriate action. The Authority, at the Authority's option, may make such alterations, repair and/or replacements in the Premises as the Authority, in the Authority's sole judgment, considers advisable or necessary for the purpose of re-letting the Premises; and the making of such alterations, repairs and/or replacements shall not operate or be construed to release Operator from liability as aforesaid.

iv. The Authority may, at its option, institute an action for specific performance in a Court or forum having appropriate jurisdiction to enforce the provisions of this Agreement.

v. No remedy herein conferred upon the Authority shall be exclusive of any other remedy, but the same shall be cumulative and in addition to every other remedy available at law or in equity or provided elsewhere herein.

vi. In no event shall the Authority be deemed to have terminated this Agreement, or to have waived Operator's continuing performance of its obligations hereunder unless the Authority terminates this Agreement by written notice to Operator.

D. Removal of Property. All buildings and improvements and fixtures placed upon the Premises by the Operator shall be and remain the property of the Operator so long as this Agreement shall remain in effect. Upon termination of this Agreement, the Operator shall have the right to freely remove all aircraft, tools, equipment and trade fixtures from the Premises. Subject to Sections 7(B) and 8(B) of this Agreement, all buildings, improvements, fixtures, alterations, changes and additions to and upon the Premises shall be left in place, and shall become the property of the Authority, together with all rights therein of the Operator. To make this provision self-executing, Operator covenants and agrees that upon termination of this Agreement, subject to the foregoing, title to all improvements and fixtures, including all alterations, changes and additions to and upon the Premises shall pass to the Authority, forthwith and without the necessity of any further conveyance or assignment, if necessary, to complete such transfer, and if requested by the Authority to do so.

E. Causes of Breach; Waiver.

i. Neither party shall be held to be in breach of this Agreement because of any failure to perform any of its obligations hereunder if said failure is caused by or results from acts beyond the impacted party's reasonable control, including,

without limitation, the following force majeure events: (a) acts of God; (b) flood, fire, earthquake or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) actions, embargoes or blockades in effect on or after the date of this Agreement; (e) action by any governmental authority; (f) national or regional emergency; (g) strikes, labor stoppages or other industrial disturbances; (h) epidemic, pandemic or similar influenza or bacterial infection (which is defined by the United States Center for Disease Control as virulent human influenza or infection that may cause global outbreak, or pandemic, or serious illness); (i) emergency state; (j) shortage of power or transportation facilities; and (k) other similar events beyond the reasonable control of the impacted party or parties.

ii. The waiver of any breach, violation or default in or with respect to the performance or observance of the covenants and conditions contained herein shall not be taken to constitute a waiver of any such subsequent breach, violation or default in or with respect to the same or any other covenant or condition hereof.

21. **Casualty.** If the Premises are partially damaged or totally destroyed by fire, the elements or other casualty covered by insurance required to be maintained by Operator under this Agreement, or by the public enemy, or as a result of the negligence, omission, or willful acts of Operator, then Operator shall promptly after the occurrence of such casualty event repair or restore the Premises to a tenantable and usable condition. Operator's obligation to repair or restore hereunder shall be limited to the amount of the insurance proceeds made available to it. Any insurance proceeds available must be payable to Operator, and must be used to repair and/or replace such portions of the Premises. If Operator has not maintained the insurance as required under this Agreement, then Operator must either make all repairs or replacements necessary to restore the damaged or destroyed portions of the Premises to their condition immediately prior to the damage at Operator's own expense or pay to the Authority the value of the Premises immediately prior to such casualty. In the event the Premises shall be so damaged by fire or other casualty that demolition or substantial reconstruction is required and less than three years remain on the term of this Agreement, then Operator may terminate this Agreement by notifying the Authority of such termination within thirty (30) days after the date of such damage and Operator may satisfy its obligation to reconstruct or repair the Premises by delivering to the Authority insurance proceeds made available to the Operator. The Authority and Operator shall each cooperate with the other in filing any proof of loss with respect to any insurance policy covering the casualties described in this Section 21 and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Premises or any part thereof and the Authority will, to the extent it may lawfully do so, permit Operator, at its sole cost and expense, to litigate in any proceeding resulting therefrom in the name of and on behalf of the Authority with respect to any casualty loss insured by Operator.

22. **Condemnation.** Operator agrees that if any federal, state or local government, or any department or division thereof, shall condemn all of the Premises or any portion of the Premises (a "**Taking**") such that Operator reasonably determines by written notice to the Authority no later than sixty (60) days after notice of such Taking that the balance of the Premises is not Useable and Viable, then this Agreement shall terminate effective as of the date of such Taking. "**Usable and Viable**" shall mean useable and viable for the permitted uses hereunder. In the event

of any Taking of a portion of the Premises and the Operator does not make such determination that the Premises are not Usable and Viable, then the Operator shall promptly restore the Premises as provided in Section 21. No part of the awards of damages on account of such Taking (“**Taking Proceeds**”) shall be apportioned to Operator; provided, however, in the event the Operator does not terminate this Agreement under this Section 22 and restores the Premises, the Authority shall provide the Operator with the portion of Taking Proceeds as shall cover the cost of such restoration. Operator and the Authority shall cooperate in order to recover Taking Proceeds. In the event of a termination pursuant to this Section 22, rent for the Premises shall be apportioned to the date of such Taking. If the leasehold interest vested in the Operator by this Agreement shall be condemned or taken in any manner, the Authority’s obligations under this Agreement shall terminate as of the date of such condemnation or taking.

23. **Delegation of Authority.** The Authority may delegate its review and supervisory responsibilities of this Agreement to an Authority sub-committee for implementation except those portions of this Agreement specifically requiring Authority review or approval.

24. **Arbitration.** All claims or disputes arising out of or relating to this Agreement shall be settled by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then obtaining. Notice of the demand for arbitration shall be filed in writing with the other party to the Agreement and with the American Arbitration Association, and shall be made within a reasonable time after the claim or dispute has arisen. The award rendered by the arbitrators shall be final, and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction thereof.

Except as written by consent of the person or entity sought to be joined, no arbitration arising out of or relating to the Agreement shall include, by consolidation, joinder, or in any other manner, any person or entity not a party to the Agreement, unless it is shown at the time the demand for arbitration is filed that (1) such person or entity is substantially involved in a common question or fact or law; (2) the presence of such person or entity is required if complete relief is to be accorded in the arbitration; and (3) the interest or responsibility of such person or entity in the matter is not insubstantial.

The agreement of the parties to arbitrate claims and disputes shall be specifically enforceable under the prevailing arbitration law.

Pending final decision of the arbitrator or arbitrators, the parties shall proceed diligently with the performance of their obligations under this Agreement.

25. **Quiet Enjoyment.** The Authority covenants that the Operator, upon paying the aforementioned rentals and performing all the covenants on its part to be performed hereunder, shall and may peacefully and quietly have, hold, and enjoy the Premises for the term hereof.

26. **Covenants Against Liens.** Nothing in this Agreement shall authorize Operator to, and Operator shall not, do any act which will in any way encumber the title of the Authority or City of Holland in and to the Premises, nor shall the interest or estate of the Authority or the City of Holland in the Premises be in any way subject to any claim whatsoever by virtue of any act or omission of Operator. Any claim to a lien upon the Premises arising from any act or omission of

Operator shall be valid only against Operator and shall in all respects be subordinate to the title and rights of the Authority except as otherwise provided by law, and any person claiming through the Authority, in and to the Premises. Operator shall remove any lien or encumbrance on its interest in the Premises within thirty (30) calendar days after it has arisen; provided, however, that the Operator may in good faith contest any such item if it posts a bond or other adequate security with the Authority.

27. **Miscellaneous Provisions.**

A. **Attorney's Fees.** In the event it is necessary for either party to employ an attorney to enforce the terms of this Agreement or to file an action to enforce any terms, conditions or rights under this Agreement, or defend any action, then the prevailing party in such action shall be entitled to recover from the other, all reasonable attorney's fees, costs and expenses as may be fixed by the Court, and such attorney's fees, costs, and expenses shall be made a part of any award or judgment entered.

B. **Entire Agreement.** This Agreement constitutes the entire understanding between the parties, and as of its Effective Date supersedes all prior or independent agreements between the parties covering the subject matter hereof. Any change or modification hereof must be in writing signed by both parties.

C. **Successors and Assigns.** The covenants, conditions, and agreements made and entered into by the parties hereto, are hereby declared binding upon the successors and assigns of the Authority and upon the successors and/or assigns of the Operator.

D. **Time is of the Essence.** It is further understood and agreed that time is of the essence for the performance of this Agreement.

E. **Severability.** If a provision hereof shall be finally declared void or illegal by any court or administrative agency having jurisdiction, the entire Agreement shall not be void, but the remaining provision shall continue in effect as nearly as possible in accordance with the original intent of the parties.

F. **Notice.** Any notice given by one party to the other in connection with this Agreement shall be in writing and shall be hand delivered, sent by registered mail, return receipt requested, with postage and registration fees prepaid, or sent by overnight courier:

1. If to the Operator, addressed to:
Avflight Holland Corporation
47 W. Ellsworth Rd.
Ann Arbor, MI 48108

With a copy (which shall not constitute notice) to:
William M. Beuche, Esq.
Hooper Hathaway, P.C.
126 S. Main St.
Ann Arbor, MI 48104

2. If to the Authority, addressed to:
West Michigan Airport Authority
ATTENTION: Chairperson
60 Geurink Blvd.
Holland, Michigan 49423

Notices shall be deemed to have been received on the date of delivery, if by hand or overnight courier, or on the date of receipt as shown on the return receipt if sent by registered mail. The parties may change the entity and address to be notified by written notice to the other party.

G. **Headings.** The headings used in this Agreement are intended for convenience of reference only and do not define or limit the scope or meaning of any provision of this Agreement.

H. **Governing Law.** This Agreement is to be construed in accordance with the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

**WEST MICHIGAN AIRPORT
AUTHORITY**

BY: _____
Kevin Klynstra

TITLE: Chairperson

APPROVED AS TO FORM:

BY: _____
Ronald VanderVeen, Attorney

DATE: _____

ATTEST: _____

TITLE: _____

AVFLIGHT HOLLAND CORPORATION

BY: _____

TITLE: _____

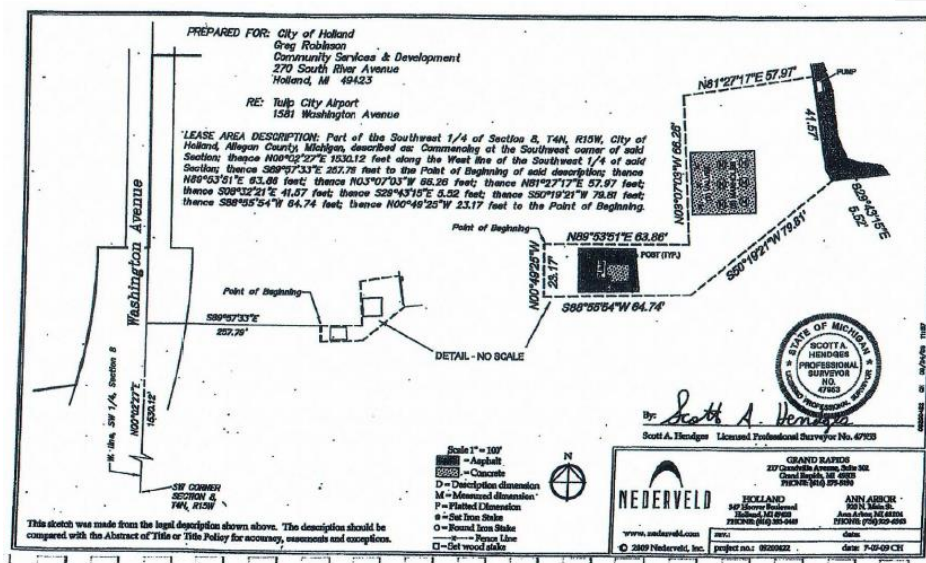
EXHIBIT A-1

GROUND LEASE PREMISES

Ramp Premises:



Existing Fuel Farm Premises:



[illegible]

EXHIBIT B

NEW FUEL FARM LAND



EXHIBIT C

RENT

Operator shall pay to the Authority, as base rent for the first year of the term of this Agreement, the sum of \$.3277 per square foot within the Ground Lease Premises, in an annual amount of \$24,843.11², and the sum of \$4.9425 per square foot within the Building Lease Premises, in an annual amount of \$9,652.72³, payable on the Effective Date of this Agreement, and on each yearly anniversary of the Effective Date thereafter during the term of this Agreement. Each annual payment shall be made in advance without demand, and without any setoff, abatement, deduction, reduction or counterclaim of any kind. Payment shall be made by electronic funds transfer or by check at Operator's option. Payment received from the Operator shall be applied by the Authority as follows: first, to any unpaid late charge; second, to accrued interest; third, to other charges due and unpaid; and fourth, to base rent.

Commencing on the first anniversary of the Effective Date and each year thereafter, there shall be an adjustment to the rent as hereinafter set forth. All rent adjustments shall be cumulative, and shall be based upon any increase in the Index. The annual rent adjustment for the succeeding year of the term of this Agreement shall be the product found by multiplying the annual rent then in effect times a fraction, the numerator of which shall be the Index number in the month and year of the adjustment and the denominator of which shall be the corresponding Index number for the same month in the preceding year. In the event the Index should decrease in any year, the rental amount shall remain the same as the preceding year of the term.

Notwithstanding the foregoing, every fifth year after the Effective Date, rent for the Building Lease Premises shall be adjusted to reflect the Authority's actual costs, on a cost per square foot of tenantable space, of operating the building and appurtenant land in which the Building Lease Premises are located relative to its anticipated costs for the first such adjustment and its preceding actual costs for subsequent adjustments, with Operator responsible for the number of square feet it leases pursuant to this Agreement. Such costs include but are not necessarily limited to shared utilities, janitorial services, fixture maintenance, building supplies, insurance, lawn care, snow removal, refuse operations, maintenance, and repairs and replacements. Notwithstanding the foregoing, however, in these fifth year adjustments, rent shall not be adjusted by more than 5% above or below the rent for the immediately preceding calendar year.

²Ground Lease Premises total square feet, based upon previous leases, is 75,810.53. Numbers subject to confirmation by City finance team.

³Building Lease Premises total square feet, based upon previous lease, is 1,953.

EXHIBIT D

Fuel Farm Lease Agreement

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FUEL FARM LEASE AGREEMENT

This Fuel Farm Lease Agreement (hereinafter referred to as this "Agreement"), is made and entered into with an effective date of July 1, 2009, by and between the **WEST MICHIGAN AIRPORT AUTHORITY**, a Community Airport Authority under Act 206 of the Public Acts of 1957 (hereinafter referred to as the "Grantor" or the "Authority"), and **TULIP CITY AIR SERVICE, INC.**, a Michigan corporation, with its principal place of business located in Holland, Michigan (hereinafter referred to as the "Grantee" and "Operator").

RECITALS:

The Authority operates the Tulip City Airport located in the City of Holland, County of Allegan, State of Michigan (the "Airport").

WHEREAS, the parties hereto have entered into a Fixed Base Operator Agreement with an effective date of July 1, 2009 ("FBO Agreement"), whereby Grantee operates and provides services at certain Premises at the Airport; and

WHEREAS, Grantee desires to occupy and utilize certain space at the Airport upon the terms and conditions set forth in this Agreement to conduct fueling operations at the Airport; and

WHEREAS, Grantee will use the Premises only for the uses and purposes set forth in the Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS AND AGREEMENTS BETWEEN THE PARTIES, THE PARTIES AGREE AS FOLLOWS:

1. **TERM.**

A. **EFFECTIVE DATE.**

This Agreement shall be effective on July 1, 2009 (the "Effective Date").

B. **DURATION OF TERM.**

The term of this Agreement shall commence on the Effective Date and continue until the expiration date, or earlier termination, of the Grantor's Fixed Base Operator Agreement effective July 1, 2009; provided, however, that in the event Grantor decides to move Grantee's fuel storage area to a different location on the Airport, Grantor shall have the right and option upon not less than ninety (90) days notice to Grantee to terminate this Agreement and to offer to Grantee substantially equivalent space in such new location and to move Grantee's facility at Grantor's expense. The Agreement between the parties relative to space at the new location shall be on rental terms and conditions offered to all users thereof.

2. **HOLDING OVER.**

If Grantee should hold over and continue in possession of the Premises after termination of the term of this Agreement or any renewal or extension of the Term of this Agreement, Grantee's continued occupancy of the Premises shall be deemed merely a tenancy from month-to-month and subject to all the terms and conditions of this Agreement. If Grantee shall hold over and fail to surrender the Premises upon the termination of this Agreement without Grantor's consent, then, in addition to any other liabilities to Grantor arising therefrom, Grantee shall and does hereby agree to indemnify, defend, and hold Grantor harmless from loss or liability resulting from such failure

including, but not limited to, claims made by any succeeding tenant or grantee founded on such failure.

3. **PREMISES.**

Grantor leases to Grantee and Grantee takes from Grantor for its exclusive use as defined herein those certain Premises located at the Airport consisting of a parcel of land approximately _____ square feet of space which is defined and shown on **Exhibit A**, attached to this Agreement and incorporated herein by reference (the "Premises").

Grantee accepts the Premises "as is" in the condition existing upon the Effective Date of this Agreement. Grantee's acceptance of the Premises shall be conclusive evidence that its condition is satisfactory to Grantee. Grantor makes no representation or warranty respecting the condition of the Premises.

4. **PRIVILEGES GRANTED TO GRANTEE.**

Grantor grants to Grantee the following rights and privileges:

1. The right to use the Premises designated on **Exhibit A** for its exclusive use in connection with the storage, sale, and pumping of fuel and lubricants associated with its operation of the Fixed Base Operator ("FBO") at the Airport and for no other purpose. The use of the Premises for the purposes specified in this paragraph shall meet the minimum standards requirements set forth in the FBO Agreement.

2. The right to use, in common with others authorized to do so, the facilities and improvements owned and constructed by Grantor which are of a public nature and available for public use.
3. The right of ingress and egress from the Premises for Grantee's employees, agents, and customers to the extent reasonably necessary in connection with Grantee's operations under this Agreement.
4. The right to install, operate, maintain, repair, and store, subject to reasonable approval of Grantor in the interest of safety and convenience for all concerned, all equipment necessary for the conduct of Grantee's operations within the Premises.
5. The right to erect signs upon the Premises only with the prior written consent of the Grantor. Such signage shall be limited to promoting Grantee's on-Airport operation. Signs with flashing lights are not permitted. Grantee, its agent or employees, shall not solicit by way of hand-held signs, direction arrows, or vehicle signs for the purpose of soliciting the purchase of an aviation service or other related activity. Any sign or advertising approved by the Grantor shall remain the property of the Grantee and upon termination of this Agreement, or any extension thereof, shall be removed by Grantee at no cost to the Grantor.
6. The use of the Premises and any other rights, privileges, and facilities granted to Grantee herein shall be used, enjoyed, and operated by Grantee only in compliance with all orders, rules, and regulations of Grantor, the Federal Aviation Administration (FAA), Transportation Security Administration (TSA),

Department of Homeland Security (DHS), and the covenants attached as **Exhibit B**.

4.1 STRUCTURAL CONTROLS.

A. All fueling facilities must at all times meet all requirements imposed by any governmental agency having jurisdiction over fueling facilities at the Airport or by any insurer providing insurance coverage to the Airport or with regard to the particular fueling facilities;

B. Aviation fuel storage tanks shall be above ground in a fixed location. Any tank used to store fuel for vehicles other than aircraft shall be aboveground in a fixed location or a vehicle-mounted tank of not more than 250 gallons;

C. All aboveground storage tanks shall have secondary containment to prevent a spill, leak or other release from reaching soil or water and comply in all respects with Federal and State requirements applicable to above-ground storage tanks. Any vehicle with a vehicle-mounted fuel storage tank shall be operated only upon paved surfaces, shall not operate upon a runway or taxiway, and shall otherwise be operated in compliance with the requirements of Section 6 below;

D. Vehicles used to transport aviation fuel within the Airport shall have a maximum capacity of 5,000 gallons of fuel, shall have a radio capable of monitoring or communicating with the FBO at the Airport, and shall have safety locks on sumps;

- E. Fixed fuel tanks for aviation fuel shall have a capacity of at least 5,000 gallons;
- F. All fuel dispensing areas must be paved and improved with measures to prevent contamination of storm water runoff;
- G. Adequate grounding wires or other approved means of reducing static electricity acceptable to the Michigan State Police Fire Marshal Division or the Michigan Department of Environmental Quality, whichever has jurisdiction at a given time, shall be installed, inspected, and maintained;
- H. A properly maintained and charged fire extinguisher appropriate for aviation fuel fires and a supply of dry absorbent material shall be kept in each fuel transport vehicle operated at the Airport;
- I. Each permit holder shall have sump buckets available in the ramp area and hangar area at all times;
- J. Each permit holder shall have and keep safety signage posted in the area of fuel dispensing as required by government regulations;
- K. Within ninety (90) days of completion of any new structure at the Airport, the permit holder controlling it shall submit a "significant materials list" to the Storm Water Pollution Prevention Plan ("S.W.P.P.P.") administrator;
- L. The structural controls relating to the fueling facility of the Grantee shall be subject to change, amendment, and modification in accordance with the Fueling Rules & Regulations adopted from time to time by the Authority.

4.2 OPERATIONAL CONTROLS.

A. Vehicles used to transport fuel from fixed fuel storage tanks to aircraft shall be properly maintained to prevent leaks, and during operation shall be lighted in accordance with regulations established by federal, state, or local governmental authorities and shall have a radio capable of monitoring or communicating;

B. Over-the-road fuel transport vehicles ("Tankers") may only dispense aviation fuel to fixed fuel storage tanks and shall not directly dispense to fuel transport vehicles used on the Airport or to aircraft;

C.. Aviation fuel shall not be stored at the Airport in any vehicle (other than aircraft), including a Tanker, for more than 24 hours at a time and a fuel transport vehicle for use at the Airport shall not be loaded with more aviation fuel than is reasonably expected to be dispensed into the self-fueler's aircraft within 24 hours of loading. The Authority may grant a operational waiver to this requirement based upon a written procedure submitted by the Operator and approved by the Authority.

D. A vehicle transporting fuel shall not approach or cross a runway if an aircraft is on the runway, taxiing for takeoff, visible in the air, or if radio communication from the FBO indicates that an aircraft is approaching the Airport, and shall not enter into a zone within fifty (50) yards of an operating or idling aircraft or into an area within which any aircraft is operating or idling (unless the operator of the idling aircraft informs the driver of the fuel transport vehicle that

the aircraft will not be moving in the time the fuel transport vehicle would be operating within the same area);

E. All fueling facilities shall be secured when not being used to prevent leaks, spillage, and unauthorized use;

F. All fueling facilities shall be routinely inspected at least monthly, with a comprehensive inspection to be performed at least every six (6) months, with written inspection reports kept on file for a minimum of three years, and maintained in good and workable order and operated in a manner that minimizes the risk of accidental or intentional explosion, fire, or release of fuel or any other regulated substance to the environment, and otherwise kept in compliance with all applicable governmental regulation, including conformance with the SPCC Plan and registration requirements;

G. If a spill or release of fuel or any other regulated substance to the environment occurs at the Airport, the holder of the permit for the fueling facilities from which the spill or release occurred shall immediately stop and contain the spill or release, clean up the fuel or substance released, and notify the Authority of the spill or release and of the steps taken in response. The permit holder shall then proceed to remediate any contaminated soil or water as promptly as reasonably possible. If a theft of fuel occurs at the Airport, the holder of the permit for the fueling facilities from which the theft occurred shall notify the Authority and law enforcement officials immediately upon discovering the theft;

H. No substances other than fuel for aircraft owned by the permit holder or for other vehicles owned by the permit holder and operated solely

within the Airport shall be stored in fueling facilities at the Airport and all regulated substances shall be stored only in containers approved for storage of that substance;

I. No smoking, flames, or sparks shall be permitted within ten (10) yards of any fueling facilities during fueling;

J. All personnel involved in fuel dispensing to fixed storage tanks, fuel transport vehicles or aircraft shall be properly trained to perform their tasks while minimizing the risk of harm to people, property and the environment at the time they commence employment and at least annually thereafter;

K. Oil water separators shall be inspected each six (6) months to assure they remain in good working order and to determine if pumping is appropriate and repaired and/or pumped as appropriate;

L. If any hazardous or regulated substance is spilled or released into a secondary containment structure, the permit holder shall immediately act to stop the spill or release, promptly test the substance in the secondary containment structure for contamination and, if contaminated, dispose of it in accordance with applicable law;

M. S.W.P.P.P. maps will be reviewed and updated every six (6) months and all employees involved in fueling shall have training for the S.W.P.P.P. within ninety (90) days of employment;

N. All self-fueling facilities and areas shall be maintained so as not to present an unsightly appearance or unnecessary danger.

O. Grantee shall be required to apply, obtain, and maintain a fueling permit issued by the Grantor during the Term of this Agreement and shall be subject to the rules and regulations relating to fueling operations at the Airport, as presently existing or as may be amended.

5. **LIMITATIONS ON GRANTEE.**

Grantee is limited by the following conditions:

1. The Premises are not to be used for any business other than that authorized herein without the written consent of Grantor. Grantee and/or its employees may not provide a safe haven for vendors providing aeronautical and/or commercial services at the Airport as defined by the Grantor's Minimum Standards, as the same may be amended from time to time ("Grantor's Minimum Standards") without said vendor fully meeting the Grantor's Minimum Standards.
2. Grantee shall not do, or permit to be done, anything which may interfere with the effectiveness or accessibility of the utility, mechanical, electrical, drainage and sewer systems, fire protection system, and other systems installed or located on or in the Premises.
3. Grantee shall not commit any nuisance or permit its employees or others on the Premises with its consent to commit or create or continue to tend to create any nuisance on the Premises in or near the Airport.

6. **RENTAL.**

Grantee shall pay Grantor for the use of the Premises described herein, a fuel flowage fee in the amount of nine and one-half cents (\$.095) per gallon for each gallon of gasoline or other fuel sold by Grantee during the Term without set-off, deduction, abatement, reduction, or counter-claim. The flowage fee shall be paid monthly by the Grantee to the Grantor based upon the fuel sales for the prior month. The Grantee shall produce such documentation as shall be required by the Grantor to determine the fee. The Grantor may inspect the fueling facility of the Grantee, upon reasonable notice, to determine if the fueling facility is operating in good working order and is properly calibrated to measure the fuel pumped from the facility. Grantor shall have the right to audit and inspect the records of the Grantee relating to its fueling operations to ensure compliance with the terms and conditions of this paragraph and this Agreement.

Annually, the Grantor shall review the flowage fee to determine if an increase is required in consultation with the Grantee. The Grantor has the right to increase the flowage fee after review and consultation with the Grantee. In the event the flowage fee is increased, the effective date of such increase shall be on July 1 thereafter.

7. **ADDITIONAL FEES, CHARGES, AND RENTALS.**

Grantee shall pay to Grantor additional fees, charges, and rentals as follows:

1. If Grantor has paid any sum or sums, or has incurred any obligation or expense, for which Grantee has agreed to pay or reimburse Grantor, or for which Grantee is otherwise responsible;

2. If Grantor is required or elects to pay any sum or sums, or incur any obligation or expense because of the failure, neglect, or refusal of Grantee to perform or fulfill any of the premises, terms, conditions, or covenants required of it;

3. Pursuant to any separate agreement between the parties not contained in this Agreement.

8. TAXES.

Grantee covenants and agrees that it will pay, when due, all taxes which may be lawfully assessed pursuant to law against the Premises, or against the buildings, improvements, and personal property located on the Premises or against any business and activities conducted by Grantee.

9. INDEMNITY AND INSURANCE.

Grantee shall indemnify, protect, defend, and hold Grantor and the City of Holland completely harmless from and against liabilities, losses, suits, claims, judgments, fines, or demands arising by reason of injury or death of any person or damage to any property, including all reasonable costs for investigation and defense thereof (including but not limited to attorneys' fees, court costs, and expert fees), of any nature whatsoever arising out of the use or occupancy of the Premises or the Airport by Grantee, or the acts or omissions of Grantee, its officers, agents, employees, contractors, subcontractors, licensees, or invitees, except to the extent such injury, death, or damage is caused by the act or omission of Grantor, its agents, representatives, contractors, or employees, Grantor

shall give to Grantee reasonable notice of any such claims or actions. The provisions of this section shall survive the expiration or early termination of this Agreement with respect to those liabilities, losses, suits, claims, judgments, fines, or demands that arise by reason of injury or death of any person or damage to any property that occur prior to the expiration or early termination of this Agreement.

Grantee shall procure and maintain the following insurance covering its operations at or upon the Airport including areas assigned exclusively to Grantee and also areas used by Grantee in common with others. Such coverage shall name Grantor as an additional insured to the extent of the contractual liability assumed by Grantee hereunder. Coverage shall be placed with insurance companies licensed to do business in the State of Michigan. Such insurance shall be in at least the following amounts:

1. Comprehensive General Liability covering claims for damages because of bodily injury and personal injury, including death, and damage to property, in the amount of Five Million Dollars (\$5,000,000), combined single limit. Such policy shall include coverage for Premises and Operations, Contractual Liability as applicable to the hold-harmless agreements in this Agreement; Completed Products and Operations; Property Damage; and a Cross Liability Endorsement for Grantor and the City of Holland, its officers, agents, and employees, as additional insureds.
2. Comprehensive Auto Liability - including owned, non-owned, or hired in the amount of One Million Dollars (\$1,000,000) each accident combined single limit.

3. Workers' Compensation - including occupational disease, other states and Voluntary Compensation coverage on all employees to statutory limits.
 4. Employer's Liability - Five Hundred Thousand Dollars (\$500,000) per accident or disease; Five Hundred Thousand Dollars (\$500,000) policy limit on disease.
 5. Environmental Liability - One Million Dollars (\$1,000,000) per occurrence; One Million Dollars (\$1,000,000) limit General Aggregate.
- (Amounts to be included?)

Such policies of insurance shall be in a form and with companies reasonably satisfactory to the Authority or Grantor (provided that AM Best rated insurance company with a rating of B+, VIII or better shall be deemed reasonably satisfactory for the purposes hereof). Grantee shall be fully responsible for the insurance policy deductible for which the required insurance applies.

Certificates shall be deposited with Grantor at least ten (10) business days prior to commencement of Grantee's operations showing such insurance to be in effect and showing Grantor and the City of Holland, its officers, agents, and employees to be named as an additional insured and requiring the issuing company to give thirty (30) days prior written notice to Grantor prior to the cancellation of the insurance or material change in the coverage.

In order to effect a waiver of insurance subrogation rights, to the extent permitted by law, each party, its elected and appointed officials, employees and volunteers and others working on its behalf, does hereby release the other from liability from any loss or damage to the Premises, building, personal property, fixtures, and equipment of the other to the extent that such loss is covered, or would be covered by fire and extended coverage insurance in the full insurable value of such real or personal property, even though such loss may be due to the negligence or fault of such other party, its agents, representatives, or employees. Grantee's policies of insurance shall contain a clause or endorsement that such release shall not adversely affect or impair such policies or prejudice the right of Grantee or Grantor as additional insured, to recover hereunder.

From time to time Grantor may review applicable insurance limits and coverages, and Grantee agrees to provide insurance as shall then comply with current policy requirements of the Grantor. Grantor shall notify Grantee of any such changes in the minimum limits and/or types of coverage required and Grantee shall have thirty (30) days from such notice to provide Grantor with adequate proof of insurance in accordance with this section.

10. FIRE AND EXTENDED COVERAGE INSURANCE.

Grantee must, at all times during the Term, and at Grantee's sole expense, keep all improvements which are now or which may hereafter become a part of the Premises insured with broad form fire and extended coverage insurance with an all-risk endorsement against loss or damage by fire, earthquake, flood, war, and other extended

coverage hazards for not less than the full replacement value of such improvements (excluding foundations and excavation), with loss payable to Grantor and Grantee as their interests may appear. Any loss adjustment will require the written consent of Grantor, Grantee, and the City of Holland.

11. UTILITIES AND SERVICES.

Grantee agrees to provide for its own connections with utilities and to make separate arrangements with the agencies responsible for these utilities. Grantee shall pay for all utility service supplied to the said Premises, and if required by the utility agencies as a condition of continuing said services, Grantee will install and pay for standard metering devices for the measurement of such services. In the event it shall be come necessary to make changes upon the Premises, or within the structures covered by this Agreement, such as any wiring, plumbing, or similar installations, as a condition of the continuance of utility services, and Grantee desires to continue such services, Grantee will promptly make such changes and installations, at its expense, as directed and required by the utility organizations. Grantee shall pay for all utility charges, including natural gas, electricity, sewer, and water used on the Premises during the Term of this Agreement.

It is further agreed that Grantor shall have the right, without cost to Grantee, to install and maintain in, on, or across the Premises, sewer, water, gas, electric, and telephone lines, electric substations, street widening or other installations necessary to the operation of the Airport, or to service other tenants of Grantor. It is provided, however, that Grantor shall

carry out such work and locate any above-ground structures in a manner so as not to unreasonably interfere with Grantee's use of the Premises.

Grantor, without expense to Grantee, shall provide any necessary license or easement for telephone service or other utility service to the take-off points upon the Premises. Except as otherwise provided in this agreement, Grantee shall contract for its own utilities and shall pay all billings therefore promptly when due.

Notwithstanding the above, Grantor agrees that it shall take such action as may be reasonably required from time to time to assure Grantee that the Premises receive an uninterrupted source of gas, water, sewage, telephone, and electrical service.

12. MAINTENANCE, REPAIR, AND OPERATION BY GRANTEE.

Grantee shall keep and maintain the Premises and all improvements thereon in good condition, reasonable wear and use accepted, and shall keep the Premises in a sanitary and sightly condition. Grantee shall provide for the removal of snow from its Premises. Grantee shall not place snow from its Premises on any other area of the Airport without prior written authorization.

In the event that Grantee fails to keep and maintain the Premises and improvements in good condition and repair, reasonable wear and use excepted, and in a sanitary and sightly condition for a period of thirty (30) days after written notice from Grantor to do so, Grantor, upon the expiration of such thirty (30) day period, may, but shall not be

obligated to, enter upon the Premises involved and perform the obligation of Grantee, charging Grantee the reasonable cost and expense thereof, and Grantee agrees to pay Grantor such charge in addition to any other amounts payable by Grantee; provided, however, that if Grantee's failure to perform any such obligation adversely affects or endangers the health or safety of the public or of employees of Grantor in the reasonable judgment of Grantor, and if Grantor so states in its notice to Grantee, Grantor may, but shall not be obligated to, perform such obligation of Grantee at any time after the giving of such notice and without awaiting the expiration of the thirty (30) day period, and charge to Grantee, and Grantee shall pay, the reasonable cost and expense plus reasonable administrative costs of such performance.

It is further agreed that if Grantor shall perform any of Grantee's obligations in accordance with the provisions of this Section, Grantor shall not be liable to Grantee for any loss of revenue to Grantee resulting from such performance.

Upon termination of this Agreement, Grantee's rights herein shall cease, and Grantee shall immediately surrender the same. Grantee shall thereupon restore the Premises to their condition at the initiation of this Agreement, except ordinary wear and tear. This section applies to all aspects of the Premises.

13. NOTICES.

Any notice, demand, request, consent, or approval that either party may or is required to give the other shall be in writing, and shall be either personally delivered or sent by first class mail, postage prepaid, addressed as follows:

TO GRANTOR:

West Michigan Airport Authority
ATTN: Chairperson
City Hall, 270 S. River Avenue
Holland, MI 49423

TO GRANTEE:

Tulip City Air Service, Inc.
1581 South Washington Avenue
Holland, MI 49423

Either party shall have the right by giving fifteen (15) days advance written notice to the other to change the address at which it will receive such communications. Such communications shall be deemed received upon delivery, if personally delivered, or within four (4) days following deposit in the mail if sent by mail.

14. IMPROVEMENTS OR ALTERATIONS.

Grantee agrees that all installations and equipment used in connection with the receipt, storage, and dispensing of all fuels and lubricants shall be approved in writing in advance by Grantor:

Grantee shall have the right to make additions, improvements, modifications, revisions, or other alterations to facilitate business operations hereunder, subject to the prior written approval by Grantor of plans, specifications, location, type, and construction. All costs of any such addition, improvement, modification, revision, or other alterations shall be borne by Grantee.

Within thirty (30) days following completion of the addition, improvement, modification, revision, or other alteration Grantee shall present to Grantor a complete set of reproducible "record" drawings including all amendments and changes issued during construction and including, but not limited to, specifications and shop drawings as applicable. Grantor may, in its sole discretion, require the removal of any alterations and restoration of the Premises at Grantee's cost, upon termination of this Agreement. If removal and restoration is required, Grantor shall notify Grantee as a condition of approval.

If any construction, improvement, alteration, modification, addition, repair, or replacement (collectively, an "Alteration") is made without the Grantor's prior written approval, then the Grantor may, in its sole and unfettered discretion, elect to take any one or more of the following actions:

- A. Terminate this Agreement and retain any security deposit;
- B. Refrain from any maintenance which would otherwise be the obligation of Grantor until such time as the Premises is returned to its condition prior to the Alteration;
- C. Require the Grantee to remove the Alteration and restore the Premises to its original condition; and/or
- D. Require the Grantee to change or modify the Alteration to the sole satisfaction of the Grantor;
- E. Pursue any other remedy available at law or equity.

Grantee's use of outside contractors or its employees for such work will be immediately discontinued if such work results in work stoppage, picketing, or other disruption of passenger, airport, or tenant business.

Grantee shall cause all improvements or alterations authorized to be constructed only by a contractor properly licensed by the State of Michigan to perform the proposed work. Grantee shall be solely responsible for payment to such contractor for all elements of such construction, and shall keep the Premises free and clear of all mechanics liens resulting from any construction by or on behalf of Grantee. Notwithstanding the foregoing, Grantee shall have the right to contest, in good faith and with reasonable diligence, the validity of any lien or claimed lien, if Grantee shall give to Grantor such security as may be reasonably satisfactory to Grantor and Grantor's title insurance company to assure payment thereof and any interest thereon and to prevent any foreclosure of the lien or sale of the Premises or the Airport by reason of non-payment thereof; provided, further, however, that on final determination of the lien or claim for lien, Grantee shall immediately pay any judgment rendered with all proper costs and charges and shall have the lien released and any judgment satisfied.

A. GENERAL PROCEDURES FOR IMPROVEMENT.

No alterations or improvements of any kind shall be erected, placed, assembled, constructed, or permitted on the Premises until preliminary and final plans showing the type of use, location, size, and design are prepared by an architect and/or engineer licensed to practice in the State of Michigan and the plans have been approved by Grantor under procedures set out in the remainder of this section. Prior to the preparation

of preliminary plans, Grantee shall contact the Grantor to schedule a meeting to brief Grantor's staff on the proposed improvement.

Any review or approval by Grantor of Grantee's plans or any inspection by Grantor of Grantee's work or materials shall not be deemed to constitute a waiver or release by Grantor of any obligation or responsibility of Grantee under this Agreement, or any assumption of any risk or liability by Grantor, and Grantee shall make no claim against Grantor on account of such review, approval, or inspection.

B. PRELIMINARY PLANS.

Preliminary plans shall show the full extent of the improvements to be constructed including grading, drainage, landscaping, paving, architectural, structural, electrical, mechanical, and communications details; and utility locations showing the relationship of the proposed improvements to all adjacent Airport parcels, public roadways, service roadways, taxiways and aircraft parking aprons. A minimum of three (3) complete sets of preliminary plans shall be submitted for approval. Civil engineering plans shall include plan drawings submitted on a scale not smaller than one (1) inch equals fifty (50) feet. Architectural plans shall include plan drawings at a suitable scale, but in no case shall the scale be smaller than 1/16th inch equals one (1) foot. Plans shall include specifications in sufficient detail for Grantor to determine compatibility with Grantor's objectives for the overall aesthetic character and quality of the improvements. At Grantor's request, architectural projects shall include an accurate architectural

perspective color rendering including the proposed exterior color, scheme, style, materials, wording, and placement of all signs.

C. REVIEW OF AND COMMENTS ON PRELIMINARY PLANS.

Within thirty (30) days of the date of receipt of the preliminary plans, Grantor will return a set of plans with comments. Grantor review and comment on the preliminary plans does not mean or infer that Grantor has approved the proposed improvement. Additional plans, specifications, or design features beyond those submitted with the preliminary plans may be required and shall be prepared by Grantee at the request of Grantor.

D. FINAL PLANS.

A minimum of three (3) complete sets of final plans and specifications showing responses to comments receive, if any, and setting forth in all necessary detail the requirements for construction of the project shall be submitted to Grantor for approval prior to submitting plans to other applicable agencies so that Grantor may check them for design conformance with the preliminary plans. Final plans shall be sealed by a licensed engineer and/or architect. Grantee shall submit a completed airport Construction Permit Application with final plans.

E. APPROVAL OF FINAL PLANS.

Within fifteen (15) days of the date of receipt of the final plans, if final plans are approved, Grantor will return final plans to Grantee with an authorized Airport Construction Permit Application. In the event the final plans are not approved, Grantor shall provide its written comments as to that portion of the final plans, which are not approved, and the reasons therefore. Grantor will retain one (1) full set of final plans. Grantor approval of the final plans shall only mean that the proposed improvement is

consistent with Grantor's goals and objectives for Airport development projects and does not infer that the proposed improvement is approved by any required federal, state, and local government agency. After approval of the final plans by Grantor, Grantee has full responsibility for obtaining all required federal, state, and local approvals and permits. Grantor will submit to the Federal Aviation Administration for airspace approval (FAA Form 7060). Grantee will provide ten (10) sets of final plans for airspace approval submittal.

F. MODIFICATION OF FINAL PLANS.

Any modifications to the approved final plans including environmental mitigation measures, modifications imposed by other governmental agencies, or construction change orders shall be submitted to Grantor for approval prior to construction.

G. ADDITIONAL REQUIREMENTS.

After receiving the Grantor's approval of final construction plans and prior to beginning construction on the Premises, Grantee shall satisfy all of the following requirements:

1. Grantee, at its expense, shall have filed with the appropriate governmental body, having jurisdiction with respect to the demolition of existing improvements and the erection of new improvements, complete plans, specifications, certificates, and any other documents required for the Grantee's construction of the new improvements and obtained all required permits and approvals (copies of which shall be delivered to Grantor). Grantee's plans and specifications shall be the ones approved by Grantor as required in this section.
2. Grantee shall deliver to Grantor for review and approval certificates of insurance required in addition to those already required herein.

3. Grantee shall deliver to Grantor a performance bond and a labor and material payment bond ("bonds") to be kept in force throughout the period of construction and for ninety (90) days thereafter. The bonds shall be in the amount of the construction cost covering faithful performance of the Grantee's obligations hereunder and the payment of all obligations arising in connection with the construction, free of liens upon the Leased premises. The bonds shall name Grantor as obligee, and shall be written by surety companies qualified to do business in the state of Michigan, under proper certificate of authority, and in such form and with such sureties as Grantor may approve. The bonds may also include as obligee, as its interest may appear, the Leasehold Mortgagee acting as construction lender for the financing of the cost of constructing the building and any Fee Mortgagee.

All of the documents required herein must be submitted in detail satisfactory to Grantor.

H. NOTICE OF COMPLETION.

Within ten (10) business days of construction completion, Grantee shall submit a written Notice of Completion to Grantor. Within ten (10) days of receipt of Notice of Completion, Grantor may schedule an inspection of the improvements to be accompanied by Grantee for purposes of confirming compliance with the final plans and any subsequent modifications to the final plans. This inspection tour may be scheduled at the same time Grantee schedules a final inspection in accordance with any requirements imposed by other governmental agencies. Failure of Grantor to complete such inspection shall not prevent Grantor from its rights to require Grantee to correct, modify, and remove any non-conforming improvements.

I. AS-CONSTRUCTED/RECORD DRAWINGS.

Within forty-five (45) days after filing the Notice of Completion, Grantee shall furnish to Grantor one (1) set of reproducible Mylar Record Drawings showing the "as constructed" improvements and a diskette (C D/DVD acceptable) containing the drawings in the CAD version currently used by Grantor. Record Drawings shall be dated and stamped by the engineer or architect of record.

J. TITLE TO IMPROVEMENTS AND ALTERATIONS.

All the improvements and alterations made by Grantee shall remain on the Premises throughout the Term. Title to these improvements and alterations shall be surrendered to Grantor upon expiration of the Term or sooner termination of this Agreement.

Alternatively, Grantor may require the removal of any alterations by Grantee upon the termination of this Agreement and restoration of the Premises to its prior condition, provided Grantor provides Grantee notice of such intention to require removal and restoration on or before the time of final plan approval.

K. REMOVAL OF UNAPPROVED IMPROVEMENTS.

Improvements made on Premises without Grantor's approval as outlined in this Agreement are determined to be unapproved improvements constructed or installed in violation of the conditions, restrictions, and requirements of this Agreement.

Unapproved improvements shall be immediately removed at Grantee's sole expense.

Portions of improvements that are not constructed as indicated and specified on approved plans are also determined to be unapproved improvements and shall be immediately removed or corrected at Grantee's sole expense.

15. **TITLE OF PROPERTY AT EXPIRATION OF AGREEMENT.**

At the expiration of this Agreement, or upon the Agreement being terminated due to the default of Grantee or for any other reason, any and all property, except trade fixtures or equipment of the Grantee, its guests, business invitees, employees, agents, contractors, assigns, subtenants or other person claiming under Grantee, shall become the sole property of the Grantor. Any trade fixtures or equipment not removed within seven (7) business days of expiration or termination shall become the property of the Grantor. Notwithstanding the foregoing, nothing herein shall be construed to deprive the Grantor of the right to demand that Grantee remove, at Grantee's sole expense, all or any part of any property left behind and to restore the Premises to their original condition as of the date of this Agreement. Grantor expressly reserves such right. In that event, Grantor reserves the right to charge Grantee for the removal of any property not removed plus reasonable administrative costs.

16. **REMOVAL OF GRANTEE'S EFFECTS ON CANCELLATION.**

Whenever a right of cancellation is provided to Grantor herein, Grantor may take immediate possession of the Premises and remove Grantee's effects, using such force as Grantor deems necessary, without being deemed guilty of trespass or other violation of Grantee's rights under law. Upon such entry this Agreement shall terminate.

17. GRANTOR'S RIGHT OF CANCELLATION NOT WAIVED.

The failure of Grantor to declare this Agreement terminated upon the default of Grantee, or for any other reason set forth herein, shall not operate to bar or destroy the right of Grantor to cancel this Agreement by reason of any subsequent violation of the terms of this Agreement. Further, the acceptance of any rental, in whole or in part, by Grantor for or during any period of default or other violation of the terms, covenants, and conditions of this Agreement, or any period thereafter, by Grantee shall not be deemed a waiver of any right on the part of Grantor to cancel this Agreement.

18. RIGHT OF ENTRY.

Grantor may enter upon the Premises now or hereafter leased exclusively to Grantee at any reasonable time for any purpose necessary, incidental to or connected with the performance of its obligations under this Agreement, in the exercise of its governmental functions or in the event of any emergency.

19. SOIL CONDITION.

Grantee agrees to defend, indemnify, protect, and hold Grantor harmless from any or all claims, causes of action, regulatory demands, liabilities, fines, penalties, losses, claims, and expenses including without limitation cleanup or other remedial costs (including attorney fees, costs, and all other reasonable litigation expenses when incurred and whether incurred in defense of actual litigation or in reasonable anticipation of litigation), arising from the existence or discovery of any hazardous substance on the Premises since

the Grantee's operation at the Airport, including the migration of such substance onto or from the Premises, or the violation of any environmental requirement by Grantee.

20. RULES AND REGULATIONS.

Grantee agrees to observe and obey all rules and regulations promulgated from time to time by the Authority, the Department of Transportation, the FAA, the TSA, the DHS, the Michigan Department of Transportation, the Michigan Aeronautics Commission, and the City of Holland, governing the conduct and operation of the Airport and its facilities. Grantor agrees that any rules and regulations promulgated by the City of Holland or Grantor shall not be inconsistent with any legally authorized rule or regulation of the Department of Transportation or of the FAA. Grantee shall be advised of and provided copies of any rules and regulations adopted by Grantor affecting Grantee's operation at the Airport. In the event the Grantor is assessed and pays a fine because of an act or omission of Grantee, its employees, agents, and invitees, in violation of this section, Grantee shall reimburse the Grantor for such payment within 30 days of the Grantor providing notification of such payment.

21. ASSIGNMENT AND SUBLETTING.

Grantee may not assign or sublet this Agreement nor may it transfer the management and operation of the premises without the prior written consent of Grantor. Grantor may refuse to grant such consent in its sole and unfettered discretion.

Any assignment, sublease, or transfer of ownership made in violation of the provisions hereof shall be void, and, at the option of Grantor, shall be the basis for termination of this Agreement.

For purposes of this Agreement, an assignment or transfer of this Agreement includes, without limitation (a) a transfer of a majority in interest of the ownership of Grantee, or (b) transfer of the operational control of Grantee, even if no ownership interest has been transferred, or (c) any transfer of the Agreement or the Premises or any part or interest in either, whether by voluntary action of Grantee or any other party, or by operation of law.

22. GRANTEE COVENANTS.

Grantee agrees that all installations and equipment used in connection with the receipt, storage, and dispensing of all fuels and lubricants shall be approved in writing in advance by Grantor and that Grantor's use of the leased premises Grantee will comply with all regulations from time to time adopted by the Grantor and with all rules and regulations promulgated by the United States of America, State of Michigan, or County of Allegan.

23. SUCCESSORS AND ASSIGNS BOUND BY COVENANTS.

All the covenants, conditions, and provisions in this Agreement shall extend to and bind the legal representatives, successors, and assigns of the respective parties. This section shall not be construed to enlarge Grantee's rights to assign this Agreement which rights are covered elsewhere in this Agreement.

24. CONDEMNATION.

If the whole or any part of the Premises is taken by any public authority under the power of eminent domain, including any conveyances or grants made in anticipation or, or in lieu of such taking, then the term of this Agreement shall cease on that part to be taken from the day the possession of that part shall be acquired by such public authority, and the rent shall be paid up to that date. If such portion of the Premises is so taken as to substantially impair the usefulness of the Premises for the purpose for which the Premises were leased, Grantee may either terminate this Lease or continue in possession of the remainder of the Premises under the terms and conditions hereof except that the rentals shall be reduced in proportion to the amount of the Premises taken, and in the latter event, Grantor shall promptly restore such remainder to a reasonably tenantable condition.

Upon the acquisition by condemnation or the exercise of the power of eminent domain by the Federal government, the State of Michigan, or any federal or state agency or any other persons vested with such power, of a temporary or permanent interest in all or any part of the Airport, including, without limitation, the premises and improvements, Grantor and Grantee each shall have the right to appear and file claim for damages, to the extent of its respective interest, in the condemnation or eminent domain proceeding to participate in any and all hearings, trials, and appeals therein, and to receive and retain such amount as each may lawfully be entitled to receive as damages or payment as a result of such acquisition.

25. STANDARD COVENANTS.

The provisions of **Exhibit B** attached hereto and as amended from time to time by the FAA or Grantor are incorporated herein and made a part of this Agreement.

26. AVIGATIONAL EASEMENT

Grantor hereby reserves for the use and benefit of the public, the right of aircraft to fly in the airspace lying over the land herein leased, together with the right of said aircraft to cause such noise as may be inherent in the operation of aircraft landing at, taking off from, or operating on or in the vicinity of the Airport, and the right to pursue all operations of the Airport.

Grantee shall not erect any structure or allow the grown of any plant or natural object that would constitute an obstruction to air navigation as defined in 14 CFR Part 77; nor shall Grantee conduct any activity on the Premises that would interfere with or be a hazard to the flight of aircraft over the land or to and from the Airport or interfere with air navigation and communication facilities serving the Airport. Grantor shall have the continuing right and easement to take any action necessary to prevent the erection or growth of any structure, tree, or other object into the air space, or development of any hazard to air navigation or communication, and to remove or abate from such air space, or mark and light as obstructions, any such structure, tree, object, or hazard. Grantor shall have the right of ingress and egress over the Premises for such purposes.

27. **PROTECTION OF AERONAUTICAL APPROACHES.**

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

28. **INVALID PROVISIONS.**

In the event any covenant, condition, or provision herein contained is held to be invalid by any court of competent jurisdiction, or to be invalid as in conflict with any rule, order, or regulation of the FAA, the invalidity of any such covenant, condition, or provision shall in no way affect any other covenant, condition, or provision herein contained.

29. **HEADINGS.**

The headings of the sections and paragraphs of this Agreement are inserted only as a matter of convenience and for reference, and do not define or limit the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or in the interpretation or construction thereof.

30. **REMEDIES AND DEFAULT.**

Each of the following constitutes a default by Grantee under this Lease: (1) Grantee's failure to pay Fuel Flowage Fee when due; (2) Grantee's failure to perform or observe any other of Grantee's obligations under this Lease or the FBO Agreement for a period of

thirty (30) days after Grantee receives notice from Grantor setting forth the failure in question; (3) Failure to complete improvements by Grantee under this Agreement; (4) the filing by Grantee of a voluntary petition in bankruptcy; (5) the institution of proceedings in bankruptcy against Grantee and the adjudication of Grantee as a bankruptcy pursuant to such proceedings if such adjudication shall remain un-vacated or un-stayed for a period of at least thirty (30) days; (6) the taking by a Court of Grantee and its assets pursuant to proceedings brought under the provisions of any state or federal reorganization act if the judgment of the court shall remain un-vacated or un-stayed for a period of at least thirty (30) days; (7) the appointment of a receiver of Grantee's assets if such appointment by a court shall remain un-vacated or un-stayed for a period of at least thirty (30) days.

In the event of any default, Grantor, in addition to the remedies given in this Lease or under applicable law, may do any one or more of the following: (a) accelerate the full balance of the rental payable for the remainder of the Term and sue for such sums; (b) terminate this lease, upon which Grantee must surrender the Premises to Grantor; (c) enter and take possession of the Premises; either with or without process of law, and remove Grantee with or without having terminated this Lease; (d) enforce specific performance of Grantee's obligations; (e) cure the default and recover the cost of curing, including attorneys' fees and costs, as additional cost due on demand.

Grantee waives claims of damages by reason of Grantor's reentry or repossession of the Premises. Grantor's exercise of any of its remedies or its receipt of Grantee's keys or

other access to the Premises does not constitute an acceptance or surrender of the Premises by Grantee. A surrender must be agreed to in a writing signed by both parties. If Grantor terminates this Lease or terminates Grantee's right to possess the premises because of a default, Grantor may hold Grantee liable for amounts due under the Lease accrued to the date the Lease terminates.

Grantee is also liable to Grantor for that part of the following sums paid by Grantor, and must pay the sums due under this paragraph promptly upon receiving Grantor's invoice for such amounts: (a) the cost of removing and storing Grantee's property; (b) the cost of minor repairs, alterations, and remodeling necessary to put the Premises in a condition reasonably acceptable to a new tenant; and (c) other reasonable expenses incurred by Grantor in enforcing its remedies.

In case suit is brought to recover possession of the Premises for the recovery of any other amount due under the provisions of this lease, or because of the breach of any other covenant herein contained on the part of Grantee to be kept or performed, Grantee must pay to Grantor all expenses incurred therefore, including reasonable attorney fees, which shall be deemed to have been incurred by Grantor from the default date until judgment and collection and shall be enforceable whether or not such action is prosecuted to judgment.

All remedies under this Agreement, at law or in equity, are cumulative.

31. **SURVIVAL OF AGREEMENT.**

In the event this Agreement is terminated by Agreement or default, the terms and conditions of paragraphs 9, 16, 17, 18, and 19 of this Agreement and paragraph III.B of the Covenants shall survive.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers on the day and year first above written.

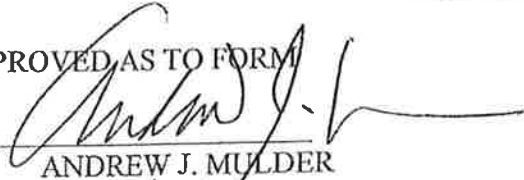
WEST MICHIGAN AIRPORT AUTHORITY

By: 

Its: Chairperson

APPROVED AS TO FORM

BY:


ANDREW J. MULDER
ATTORNEY

DATE:

11/4/2009

TULIP CITY AIR SERVICE, INC.

By: 

Its: PRESIDENT

EXHIBIT A

PREMISES

EXHIBIT B
COVENANTS

The following covenants are incorporated into all leases and agreements at the Tulip City Airport and may be amended from time to time. A material breach of any of the following covenants shall constitute a material breach of Grantee's underlying agreement.

I. Covenants Against Discrimination.

Grantee agrees to the following covenants and assurances required or recommended by the Federal Aviation Administration ("FAA"), the Transportation Security Administration ("TSA"), the Michigan Department of Transportation ("MDOT"), or by Federal or Michigan statute:

- A. It is hereby specifically understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right to provide aeronautical services to the public as prohibited by Section 308(a) of the Federal Aviation Act of 1958, as amended, and the West Michigan Airport Authority (the "Authority") reserves the right to grant to others the privilege and right of conducting any one or all activities of an aeronautical nature.
- B. Grantee, for itself, its personal representatives, successor in interest, and assigns, as part of the consideration hereof, does hereby covenant and agree as covenant running with the land (1) that no person on the grounds of race, color, creed, sex, age, or national origin or handicap shall be excluded from participation, denied

the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that, in the construction of any improvements on, over, or under such land and the furnishing of services thereon, no person shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination on the grounds of race, creed, color, sex, age, national origin, or handicap; (3) that Grantee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights Act of 1964, and as said regulations may be amended; (4) and that in the event facilities are constructed, maintained, or otherwise operated on the said property described in this agreement for a purpose for which a DOT program or activity is extended or for another purpose involving the provision of similar services or benefits, Grantee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to 49 CFR Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, and as said Regulations may be amended.

- C. Grantee agrees to furnish its services on a fair, equal, and not unjustly discriminatory basis to all users thereof and to charge fair, reasonable, and no unjustly discriminatory prices for each unit or service; provided that Grantee may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.

- D. Grantee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E ("Subpart E") to ensure that no person shall, on the grounds of race, creed, color, national origin, or sex be excluded from participating in any employment activities covered in Subpart E. Grantee assures that no person shall be excluded on these grounds from participating or receiving the services or benefits of any programs or activity covered by Subpart E. Further, Grantee agrees that it will require that its covered sub-organizations provide assurance to the Authority that they similarly will undertake affirmative action programs and that they will require assurances from their sub-organizations, as required by Subpart E, as to the same effect.
- E. Grantee agrees for itself and its subcontractors not to 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 race, color, religion, national origin, age, sex, height, weight, or marital status or because of a handicap that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of this covenant shall be regarded as a material breach of this agreement (MCL 37.1209, 37.2209).
- F. Grantee agrees that it will comply with all applicable provisions of the Americans With Disabilities Act, 42 U.S.C. § 12101, *et seq.*, and with all regulations and orders promulgated thereunder.

- G. If Grantee is covered by 49 CFR Part 23, then Grantee agrees that this Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23, subpart F. Grantee agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement covered by 49 CFR Part 23, Subpart F. Grantee agrees to include the above statements in any subsequent concession agreements that it enters and cause those businesses to similarly include the statements in further agreements.
- H. Grantee agrees that it shall insert the above covenants and assurances in any agreement by which Grantee grants a right or privilege to any person, firm, or corporation to render accommodations or service to the public on the Premises leased or occupied by Grantee.

In the event of breach of any of the above covenants, the Authority shall have the right to terminate the Agreement and to reenter and repossess said land and the facilities thereon, and hold the same as if said Agreement had never been made or issued. It is further understood and agreed that the Authority shall have the right to take such action as the Federal Government may lawfully direct to enforce this obligation. In the event further covenants and/or assurances are required of the Authority by the Department of Transportation or FAA which are applicable to this Agreement, Grantee agrees that it will conform with the provisions thereof so long as this Agreement is in effect.

II. Safety & Security Procedures.

Grantee acknowledges that the operation of Tulip City Airport by the Authority is subject to safety and security requirements (law, orders, and regulations) now and hereafter mandated by the FAA, the TSA, and other federal, state, and local agencies, including without limitation 14 CFR Part 139, 49 CFR Parts 1540 and 1542, and Grantee agrees that it and its employees will comply with all requirements of the FAA, TSA, or other agency and all provisions of the Authority's Safety and Security Program adopted for the purpose of implementing the safety and security requirements of the FAA, TSA, or other federal, state, or local agency.

In the event the Authority is notified by the FAA, TSA, or other federal, state, or local agency, of a violation of safety or security regulations by an employee or agent of Grantee, the Authority shall provide Grantee with a copy of such notice as it affects Grantee. If the Authority is assigned a penalty or fine because of such violation, Grantee agrees that payment of such fine shall be the responsibility of Grantee and that such fine shall be paid by Grantees as an additional fee, and that if such fine is paid by the Authority, Grantee will reimburse the Authority on demand for the amount paid by it.

In the event that further safety and security procedures are mandated by the Department of Transportation, the FAA, the TSA, or other federal, state, or local agency which are applicable to this Agreement, Grantee agrees that it will conform with the provisions thereof so long as this Agreement is in effect.

III. Environmental Regulations.

A. Grantee shall comply with the following environmental regulations:

1. Authority's Consent Required. Grantee shall not cause or permit any Hazardous Materials, as defined below, to be stored or used on or about the Premises by Grantee, its agents or employees, except in compliance with Environmental laws as described below and as permitted by the Authority.
2. Compliance with Environmental Laws. Grantee shall at all times and in all respects comply with all local, state, and federal laws, ordinances, regulations, and orders relating to industrial hygiene, environmental protection, or the use, generation, manufacture, storage, disposal or transportation of Hazardous Materials on, about, or from the premises (collectively "Environmental Laws");
3. Hazardous Materials Handling. Grantee shall, at its expense, procure, maintain in effect, and comply with all conditions of any permits, licenses, and other governmental and regulatory approvals required for Grantee's use of the Premises, including, without limitation, discharge of materials or wastes into or through any storm or sanitary sewer serving the Premises. Except for discharges into the sanitary sewer, Grantee shall cause any and all Hazardous materials removed from the Premises to be removed and transported solely by duly licensed haulers to duly license facilities for disposal. Grantee shall in all respects handle, treat, and manage any and all Hazardous Materials on or about the Premises in conformity with all applicable Environmental Laws and prudent industry

practices regarding the management of such Hazardous Materials. Upon the expiration or earlier termination of the term of the lease, Grantee shall cause all Hazardous Materials to be removed from the Premises and to be transported for use, storage, disposal, or recycling in accordance and compliance with all applicable Environmental laws; provided, however, that Grantee shall not take any remedial action in response to the presence of any Hazardous Materials in or about the Premises, nor enter into any settlement agreement, consent decree, or other compromise with respect to any claims relating to any Hazardous Materials in any way connected with the Premises without first notifying the Authority of Grantee's intention to do so and affording the Authority ample opportunity to appear, intervene,, or otherwise appropriately assert and protect the Authority's interest with respect thereto.

4. Notices. If at any time Grantee shall become aware, or have reasonable cause to believe, that any Hazardous Material has come to be located on or about the Premises in violation or potential violation of Environmental Laws, Grantee shall, immediately upon discovering such presence or suspected presence of the Hazardous Material, provide Authority with written notice of that condition. In addition, Grantee shall immediately notify Authority in writing of (1) any enforcement, cleanup, removal, or other governmental or regulatory action instituted or threatened pursuant to any Environmental Laws, (2) any claim made or threatened by any person against Grantee or the Premises relating to damage, contribution,

cost recovery, compensation, loss, or injury resulting from or claimed to result from any Hazardous Materials, and (3) any reports made to any local, state, or federal environmental agency arising out of or in connection with any Hazardous Materials on or removed from the Premises, including any complaints, notices, warnings, or asserted violations in connection therewith. Grantee shall also supply to Authority as promptly as possible, and in any event within five (5) business days after Grantee first receives or sends the same, copies of all claims, reports, complaints, notices, warnings, or asserted violations relating in any way to the premises or Grantee's use thereof. Grantee shall promptly deliver to Authority copies of hazardous waste manifests reflecting the legal and proper disposal of all Hazardous Materials removed from the Premises.

5. Definition of Hazardous Materials. As used in this lease, "Hazardous Material or Materials" means any hazardous or toxic substances, materials, or wastes, including but not limited to those substances, materials, and wastes listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172.101) or by the Environmental Protection Agency as hazardous substances (40 CFR Part 302) and amendments thereto, or such substances, materials, and wastes which are or become regulated under any applicable local, state, or federal law including, without limitation, any materials, waste, or substance which is petroleum or a petroleum distillate, asbestos, polychlorinated biphenyls,

(iv) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. § 6901, *et seq.*, or defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, compensation, and Liability Act, 42 U.S.C. § 9601, *et seq.*

B. Grantee shall indemnify, defend, and hold harmless the Authority and the City of Holland, including their officers, employees, successors, and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses, damages (including attorneys' fees, consultant fees, and expert fees) for the death of or injury to any person or damage to the Premises or any property whatsoever, arising from or caused by the Grantee's failure to comply with any Environmental Laws or any covenants, terms, or conditions relating to environmental matters in this lease. Grantee's obligations under this Paragraph B shall include, without limitation, and whether foreseeable or unforeseeable, any and all costs incurred in connection with any investigation of the condition of the premises, and any and all costs of any required or necessary repair, cleanup, decontamination or remediation of the Premises and the preparation and implementation of any closure, remedial action, or other required plans in connection therewith should Authority have a reasonable basis to believe that Grantee has caused the presence of Hazardous Materials in violation of Environmental Laws and Grantee fails to first conduct its own environmental investigation, and any and all costs of any required or necessary repair, cleanup, decontamination or remediation of the Premises and the preparation and implementation of any closure, remedial action, or other required plans in connection therewith and resulting from Grantee's violation of Environmental Laws.

Grantee's obligations under this Paragraph B shall survive the expiration or earlier termination of the term of the lease.

C. Notwithstanding any provisions of this lease to the contrary, the Authority, at its sole discretion, shall have the right to enter and inspect the premises, including Grantee's business operations thereon, upon reasonable notice and in a manner so as not to unreasonably interfere with the conduct of Grantee's business, to investigate the presence of potential presence of Hazardous Materials on the Premises in violation of Environmental Laws. During such inspection, the Authority shall have the right to visually inspect the Premises and to take such soil, sludge, or groundwater samples and conduct such tests as it may determine, in its sole discretion, to be necessary or advisable. The Authority shall pay for the costs of such investigation; provided, however, that if the results of such investigation indicate the presence of Hazardous Materials on or about the Premises is in violation of Environmental laws and such violation was caused by Grantee then Grantee shall fully reimburse Authority for such expenses within ten (10) days of receiving Authority's written request for reimbursement.

IV. Future Airport Use and Development.

A. The Grantor reserves the right to further develop or improve the landing areas of the Airport as it sees fit, regardless of the desires or view of the Grantee, and without interference or hindrance.

B. The Grantor reserves the right, but shall not be obligated to the Grantee, to maintain and keep in repair the landing areas of the Airport and all publicly owned

facilities of the Airport, together with the right to direct and control all activities of the Grantee in this regard.

C. This Agreement shall be subordinate to the provisions of and requirements of any existing or future agreement between the Grantor and the United States, relative to the development, operation, or maintenance of the Airport.

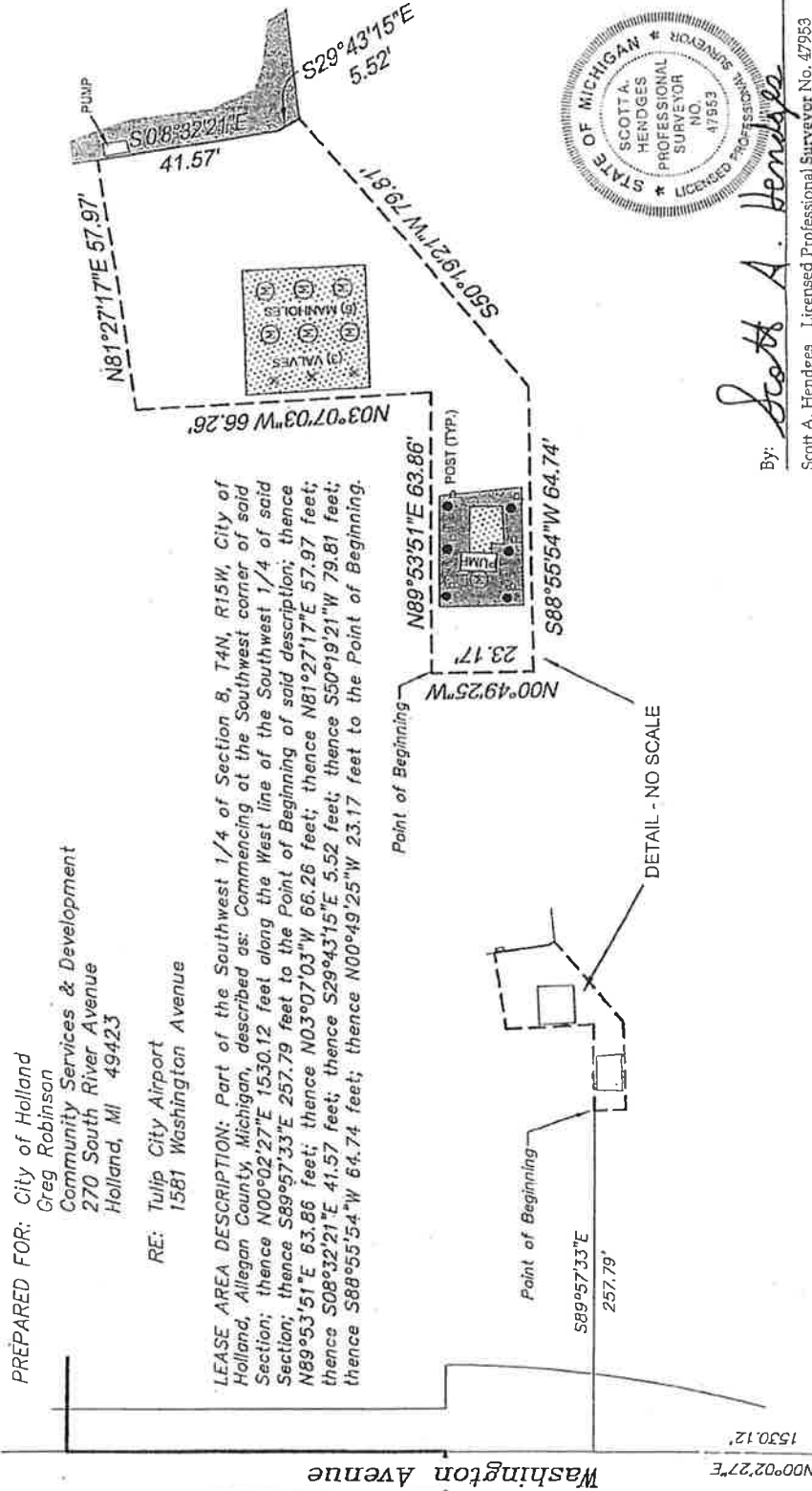
D. The Grantee agrees to comply with the notification and review requirements covered in Part 77 of the Federal Aviation Regulations in the event any future structure or building is planned for the Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Premises leased or occupied by Grantee.

PREPARED FOR: City of Holland

Greg Robinson
Community Services & Development
270 South River Avenue
Holland, MI 49423

RE: Tulip City Airport
1581 Washington Avenue

LEASE AREA DESCRIPTION: Part of the Southwest 1/4 of Section 8, T4N, R15W, City of Holland, Allegan County, Michigan, described as: Commencing at the Southwest corner of said Section; thence N00°02'27"E 1530.12 feet along the West line of the Southwest 1/4 of said Section; thence S89°57'33"E 257.79 feet to the Point of Beginning of said description; thence N89°53'51"E 63.86 feet; thence N03°07'03"W 66.26 feet; thence N81°27'17"E 57.97 feet; thence S08°32'21"E 41.57 feet; thence S29°43'15"E 5.52 feet; thence S50°19'21"W 79.81 feet; thence S88°55'54"W 64.74 feet; thence N00°49'25"W 23.17 feet to the Point of Beginning.



Scale 1" = 100'

Asphalt = Asphalt
Concrete = Concrete

D = Description dimension
M = Measured dimension

P = Platted Dimension
● = Set Iron Stake

O = Found Iron Stake
---X--- = Fence Line

□ = Set wood stake



By: *Scott A. Hendges*
Scott A. Hendges Licensed Professional Surveyor No. 47953

GRAND RAPIDS
217 Grandville Avenue, Suite 302
Grand Rapids, MI 49503
PHONE: (616) 595-5190

HOLLAND
347 Hoover Boulevard
Holland, MI 49423
PHONE: (616) 393-0419

ANN ARBOR
920 N. Main St.
Ann Arbor, MI 48104
PHONE: (734) 929-4963

This sketch was made from the legal description shown above. The description should be compared with the Abstract of Title or Title Policy for accuracy, easements and exceptions.

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rev: project no.: 09200422
date: 7-07-09 CH

MAINTENANCE SERVICES AGREEMENT

THIS AGREEMENT, dated June __, 2023 is between and among 3303 John F Donnelly Drive, LLC (“Fogg”), and AVFLIGHT HOLLAND CORPORATION (“Avflight”).

WHEREAS, (A) Fogg purchased two (2) large aircraft hangars located at 170 Geurink Blvd, Holland, Michigan 49423 (the “Hangars”), located at West Michigan Regional Airport (the “Airport”) on land (the “Fogg Lease Premises”) under ground lease to Fogg pursuant to a lease agreement between Fogg and the West Michigan Airport Authority (“WMAA”); (B) Avflight entered a FIXED BASE OPERATOR AND LEASE AGREEMENT (the “Airport Agreement”) with WMAA pursuant to which Avflight has agreed to conduct Fixed Base Operator services in compliance with the WMAA Minimum Standards for Fixed Base Operators and Permit Holders to Provide Aeronautical Services to the Public (the “Minimum Standards”) and has agreed to provide or make available Maintenance Services and Parts and Accessories Sales at the Airport, including, without limitation, repair and maintenance services for engines, airframes, and accessories for based and transient aircraft (the “Services”); and (C) Avflight has proposed to contract with Fogg to provide the Services and Fogg has agreed to that proposal.

NOW THEREFORE, Avflight and Fogg (each a “Party” and both collectively the “Parties”) agree as follows:

1. **Services.** Fogg agrees to provide the Services at the Airport when and as required under the Airport Agreement and in compliance with the Minimum Standards, copies of which have been provided to Fogg and which may be amended from time to time. Fogg acknowledges that pursuant to the terms of the Minimum Standards currently in effect: (i) Fogg will maintain and equip the Hangars and in accordance with the Minimum Standards; (ii) Fogg will provide staffing as required for the Services in accordance with the Minimum Standards; (iii) Fogg will have and maintain proper FAA licenses and obtain all approvals necessary from WMAA to provide the Services in accordance with the Minimum Standards; and (iv) Fogg will maintain insurance coverage as required by the Minimum Standards and by WMAA. Subject to any requirements of the Airport Agreement, Minimum Standards, and WMAA, Fogg will establish the charges and other terms for the provision of the Services and enter into contracts with the maintenance customers for the provision of the Services; Fogg will invoice and collect payment from the maintenance customers. In the event that WMAA imposes any additional payment or obligations on Avflight arising out of the Services including, but not limited to, the collection of a fee based on gross receipts for performance of the Services, pursuant to the ~~FBO-Airport Agreement and Consolidated Leases~~ dated June __, 2023, then Fogg shall comply with all such additional obligations and make such additional payments.

2. **Independent Contractor.** Each Party shall at all times function as an independent contractor and not as a subcontractor, employee or other agent of the other Party. Neither Party shall have the authority to and shall not purport to make any commitments or representations on behalf of the other party or otherwise to take any actions on behalf of the other Party.

3. **Exclusivity.** Avflight agrees to exclusively procure the Services described in Section 1 from Fogg for the duration of the Term; provided, however, that Avflight shall be permitted to secure the Services described in Section 1 from a party other than Fogg if, at any time during the Term, and for so long as Fogg is in breach under this Agreement (not subject to any applicable notice or cure periods) or Avflight, in its reasonable discretion, determines that Fogg cannot perform a particular service when and as required by Avflight.

4. **Term & Termination.**

(a) The term of this Agreement is beginning on the date of this Agreement and ending on the date that is coterminous with the Airport Agreement.

(b) Notwithstanding Section 4(a), in the event that a Party breaches any commitment made by that Party in this Agreement and fails to remedy that breach within twenty (20) days after the date that the other Party delivers written notice to the breaching Party identifying that breach and demanding that remedial action, then the non-breaching Party may terminate this Agreement by a further written notice following the expiration of that 20-day period, with termination effective as of the date of delivery of that further written notice.

5. **Compliance with Laws.** Each Party shall, at all times and in all respects, comply with all federal, state, county or municipal laws, ordinances, rules and regulations governing its actions in the provision of the Services and all industry standards pertaining thereto. Further, each of the Parties agree to use its reasonable best efforts to assist the other Party in complying with such laws, ordinances, rules and regulations which the other Party may be required to observe in the performance of its obligations under this Agreement. Each Party shall properly instruct its employees, agents and contractors with regard to compliance with all applicable laws, ordinance, rules, regulations and standards governing the provision of the Services.

6. **Indemnity.** Each Party (as such, the "Indemnifying Party") agrees to indemnify and to hold harmless the other Party and the officers, directors, employees, subcontractors and agents of the other Party (as such, the "Indemnified Parties") from and against any and all claims, demands, losses, liabilities, causes of action, costs or expenses (including, without limitation, attorney's fees and related expenses) of whatsoever nature which are asserted against or incurred by any Indemnified Party as a result of the breach by the Indemnifying Party of its obligations under this Agreement or as a result of any act or omission of the Indemnifying Party or of any officers, directors, employees or agents of the Indemnifying Party. This indemnity commitment will survive the termination of this Agreement.

7. **Assignment.** Neither Party may assign its rights or delegate its obligations under this Agreement, in whole or in part, unless with the prior written consent of the other Party, which consent shall not be unreasonably withheld; for purposes of this Section, any sale or other transfer of the equity interests of Fogg shall constitute an assignment for which consent is required. Provided, however, that if, at any point following the date of this Agreement, Fogg proposes to sell or otherwise transfer the equity interests of Fogg or all or substantially all of the assets owned or operated by Fogg which are required to provide the Services to a third party (the "Transferee"), Fogg shall require that such Transferee accept assignment of this Agreement in accordance with its terms. If such Transferee refuses to accept assignment of this Agreement in accordance with

its terms and Fogg completes the transfer, Avflight shall have the right, in its sole discretion, to: (i) sublease the Hangars and equipment from Fogg at a rate of \$_____ per month; or (ii) declare a breach under Section 4(b).

8. **Option to Purchase.** In the event of a breach of this Agreement by Fogg, if such breach is not cured within the applicable time period, Avflight shall have the option to purchase the Hangars, all equipment and personal property owned by Fogg (collectively, the "Equipment"), and all improvements the Fogg Lease Premises which come into existence after the Effective Date (the "Purchase Option"). Avflight's Purchase Option shall be exercisable by providing written notice to Fogg within sixty (60) days of the default triggering Avflight's Purchase Option. The purchase price for the Purchase Option shall consist of the sum of: (i) the fair market value of the Equipment; and (ii) the appraised value of the Hangars and improvements taking in consideration the length of the remainder of the Term.

9. **Right of First Refusal.**

(a) If, at any time after the Effective Date, Fogg proposes to sell any or all of the Hangars or any other improvements at the Airport owned by Fogg (each a "Fogg Facility" and, collectively, the "Fogg Facilities") (whether as a result of receiving an offer to purchase or making an offer to sell any of the Fogg Facilities) (an "Offer") to or from a third party (the "Purchaser") at a price and upon terms that Fogg is willing to accept (the "Offered Terms"), then before finally making or accepting that Offer, Fogg shall by written notice deliver a copy of that Offer to Avflight (the "Offer Notice") and Avflight shall then have the right (the "First Refusal Right"), exercisable by written notice (the "Exercise Notice") delivered to Fogg within forty-five (45) days after the date of delivery of the Offer Notice, to purchase the applicable Fogg Facility or Fogg Facilities at the Offered Terms. If Avflight delivers that Exercise Notice within that period, then Fogg and Avflight shall complete the purchase and sale of the applicable Fogg Facility or Fogg Facilities at a closing on the date specified for closing in the Offer or, if later, sixty (60) days after the date of delivery of the Exercise Notice. If Avflight does not deliver that Exercise Notice within that period, then Fogg may complete the sale of the applicable Fogg Facility or Fogg Facilities to the Purchaser on the Offered Terms and if Fogg completes that sale, this First Refusal Right shall automatically terminate and be of no further force or effect with respect to the applicable Fogg Facility or Fogg Facilities but shall remain in effect with respect to all other Fogg Facilities. If Avflight does not deliver that Exercise Notice within that period, but Fogg does not complete the sale of the applicable Fogg Facility or Fogg Facilities to the Purchaser on the Offered Terms, then this First Refusal Right shall not terminate and shall remain in full force and effect.

(b) If, at any time after the Effective Date, Fogg proposes to lease any or all of the Fogg Facilities (whether as a result of receiving an offer to lease or making an offer to lease any or all of the Fogg Facilities) (an "Offer to Lease") to or from a third party (the "Lessee") at a price and upon terms that Fogg is willing to accept (the "Proposed Lease Terms"), then before finally making or accepting that Offer to Lease, Fogg shall by written notice deliver a copy of that Offer to Lease to Avflight (the "Lease Offer Notice") and Avflight shall then have the right (the "Lease First Refusal Right"), exercisable by written notice (the "Lease Exercise Notice") delivered to Fogg within forty-five (45) days after the date of delivery of the Lease Offer Notice, to lease the applicable Fogg Facility or Fogg Facilities at the Proposed Lease Terms. If Avflight delivers that Lease Exercise Notice within that period, then Fogg and Avflight shall enter into a lease of

the applicable Fogg Facility or Fogg Facilities on the commencement date specified in the Offer to Lease or, if later, sixty (60) days after the date of delivery of the Lease Exercise Notice. If Avflight does not deliver that Lease Exercise Notice within that period, then Fogg may enter into a lease of the applicable Fogg Facility or Fogg Facilities with the Lessee on the Proposed Lease Terms and if Fogg enters that lease, this Lease First Refusal Right shall not terminate and shall remain in full force and effect. If Avflight does not deliver that Lease Exercise Notice within that period, but Fogg does not enter into a lease of the applicable Fogg Facility or Fogg Facilities to the Lessee on the Proposed Lease Terms, then this Lease First Refusal Right shall not terminate and shall remain in full force and effect.

10. **Related Agreements.** In conjunction with this Agreement, ~~the Customer~~Fogg and Avflight are executing a Hangar License Agreement (the "Hangar License Agreement"), Fuel Supply Agreement (the "Fuel Supply Agreement"), and a Ramp Access Agreement (the "Access Agreement") (the Hangar License Agreement, the Fuel Supply Agreement, and the Access Agreement shall collectively be referred to as the "Related Agreements"). Fogg and Avflight agree that any breach by a Party of any commitment under any of the Related Agreements that is not remedied by such Party within the time, if any, permitted for such remedial action under the applicable Related Agreement will constitute a breach under this Agreement, affording to the non-breaching Party all remedial rights and remedies prescribed in this Agreement.

11. **Miscellaneous.**

(a) This Agreement shall be governed by the laws of the State of Michigan.

(b) This four (4) page document constitutes the entire agreement of the Parties with respect to the subject matter hereof and shall not be cancelled or modified unless by subsequent document signed by each of the Parties.

~~(b)(c)~~ The Parties acknowledge that any assignment, transfer, purchase, sale, delegation or other conveyance of rights under this Agreement must also be subject to the approval of the WMAA.

EXECUTED as of the date first written above.

3303 JOHN F. DONNELLY DRIVE, LLC

AVFLIGHT HOLLAND CORPORATION

By: _____
Benjamin Fogg, _____

By: _____
Craig R. Sincock, II, CEO

**FIRST AMENDMENT
TO THE
AIRPORT MAINTENANCE AGREEMENT**

**Between the
West Michigan Regional Airport Authority
and
Avflight Holland Corporation**

THIS FIRST AMENDMENT (this “First Amendment”) effective as of June __, 2023 (the “Amendment Effective Date”) is to the Airport Maintenance Agreement, dated July 1, 2009 (the “Maintenance Agreement”), between the West Michigan Airport Authority, a Community Airport Authority under Act 206 of the Public Acts of 1957 (the “Authority”) and Tulip City Air Service, Inc. (“TCAS”) as assigned to ARR Aviation BIV, LLC (“ARR”) and as further assigned by ARR to its successor in interest Avflight Holland Corporation (“Avflight”).

RECITALS

WHEREAS, the Authority originally entered into the Maintenance Agreement on July 1, 2009 with TCAS, under which TCAS agreed to perform certain maintenance services at the West Michigan Regional Airport (the “Airport”);

WHEREAS, after obtaining the consent of the Authority, TCAS assigned and ARR assumed all of TCAS’ rights and duties under the Maintenance Agreement to ARR;

WHEREAS, ARR desires to assign to Avflight and Avflight desires to assume all of ARR’s rights and duties under the Maintenance Agreement, as amended by this First Amendment, and the Authority hereby consents to that assignment and assumption;

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority and Avflight hereby agree as follows:

1. Relationship to Master Agreement. Upon execution by duly authorized representatives of the Authority and Avflight, this First Amendment shall become a part of the Maintenance Agreement and shall be binding upon the parties. The definitions, terms, covenants and conditions of the Maintenance Agreement, including the default and remedy provisions thereof, are hereby incorporated by reference and made a part of this First Amendment, as if they were fully set forth herein, and references herein to this First Amendment shall include the provisions of the Maintenance Agreement. If any definition, term, covenant or condition of this First Amendment shall be in conflict with any provision of the Maintenance Agreement, the definition, term, covenant or condition of this First Amendment shall prevail. All references in the Maintenance Agreement to “Tulip City” shall be references to Avflight.

2. Consent to Assignment. The Authority hereby consents to ARR's assignment and delegation and Avflight's acceptance and assumption of all rights and obligations under the Maintenance Agreement effective as of 12:01 on the Amendment Effective Date.

3. Term of Agreement. Notwithstanding anything to the contrary contained in the Maintenance Agreement, the Authority and Avflight acknowledge and agree that Term of this agreement shall be fully completed and terminated on the first day of July, 2024.

4. Maintenance Requiring Authority Approval. All references to \$500 in Section 4 of the Maintenance Agreement shall be replaced with \$1,000.

5. Fee Adjustments. The Maintenance Agreement is amended to replace the second paragraph in Section 5 with the following:

"Unless otherwise agreed in writing by the Authority and Avflight, commencing on the first anniversary of the Amendment Effective Date and each year thereafter, there shall be an adjustment to the maintenance fee schedule as hereinafter set forth ("Index Adjustment"). All Index Adjustments shall be cumulative, and shall be based upon any increase in the Consumer Price Index as published by the Bureau of Labor Statistics ("Index"). For purposes of this Agreement, the Index means the final index for all items for urban wage earners and clerical workers commodity groups for the United States as determined by the United States Department of Labor, Bureau of Statistics, or any replacement index published by the United States. The adjusted maintenance fee(s) for the twelve (12) months succeeding any adjustment shall be the amount obtained by dividing the maintenance fee(s) in effect just prior to the Index Adjustment by the Index number for the month of June of the current year; provided, however, that in no case shall such Index Adjustment result in a decrease in the maintenance fee(s). Following each Index Adjustment, the "maintenance fee(s)", as used in this Agreement, shall mean the maintenance fee(s) as most recently adjusted. Until an Index Adjustment is made to the maintenance fee(s) in a calendar year, the Authority shall continue paying the maintenance fee(s) previously in effect on a timely basis. Upon notification by Avflight of the adjusted maintenance fee(s), the Authority shall immediately pay to Avflight the difference between the maintenance fee(s) paid and that which would have been due had the Index Adjustment for the fiscal year been imposed at the beginning of the fiscal year and the Authority shall thereafter continue paying the equal monthly installments of the adjusted maintenance fee(s).

Should the United States Government revise its price index at any time, the parties hereto shall follow such suggestions as the government may publish for making an arithmetical change over from one Index to the other. If the Index shall cease to be published, a reasonable substitute index shall replace it for purposes of this Agreement."

6. Airport Maintenance Fee Schedule. The maintenance fee schedule depicted in Exhibit B to the Maintenance Agreement shall be replaced, in its entirety, with the maintenance fee schedule attached as Exhibit B hereto.

IN WITNESS WHEREOF, the parties have executed this First Amendment as of the ____ day of May, 2023.

**WEST MICHIGAN REGIONAL AIRPORT
AUTHORITY**

Attest:

By: _____

**AVFLIGHT HOLLAND CORPORATION
A Michigan corporation**

By: _____

AIRPORT MAINTENANCE FEE SCHEDULE 2023

Services	Rate Per Hour
Tractor with Brush/Grass Mower	\$105.27
60 Inch Finish Lawn Mower/Push Mower/Trimming	\$60.32
Tractor with Loader	\$105.27
Snow Plowing/Pickup Truck	\$73.08
Large Commercial Snowplow Truck	\$99.76
Oshkosh SnoGo Snowblower	\$233.30
All General Repairs (Buildings, lighting, ILS,MALSR, GS, etc)	\$57.42
All Additional Equipment Required	Actual Cost + 12% Handling

West Michigan Airport Authority

60 Geurink Blvd., Holland, MI 49423

P (616) 368-3023

Comprising City of Zeeland, Park Township and City of Holland



June 12th, 2023

REPORT 7.

To: West Michigan Airport Authority Board.
From: Aaron Thelenwood, Director.
Subject: **Fiscal Year 2024 Airport Insurance Proposal**

Annually, the Airport Authority solicits proposals to provide insurance for general liability, public officials, cyber, and other related coverages. The insurance markets have remained difficult over the last four years due primarily to ongoing extreme weather events driven by climate change, high profile accidents in the aviation sector, and an increased cost in material prices driving increases in total claim payouts. This year, we are beginning to see, however, some general settling in the aviation market.

In January 2023, Airport Authority staff began the process of soliciting proposals from three firms, including the airport's current broker, Gallagher. However, to date, the airport has only received a proposal from Gallagher. It is unclear why no response was received after staff followed up, though there are a limited number of airport property and liability underwriters in the market and, often, they will not provide quotes for more than one broker for a specific client. Attached to this report is AJG's proposal for review. Airport Authority staff have also requested an independent review of the proposal received from Gallagher.

In summary, the quote received by Gallagher reflects an overall policy increase of 7.8%. In the current market public entities in good standing (with no claims) have seen anywhere from 11-23% increases, so anything under 10% is considered quite favorable. The attached proposal also shows a 22% decrease in cyber and a slight decrease in Public Officials liability. Additionally, Gallagher is recommending the Board consider locking in a three-year liability policy. Last year, due to the substantial increases in liability, Gallagher recommended against locking in the three year term in 2023. They are now advising for 2024 that its likely rates could increase next year and the following, so locking in now could provide savings to the Authority over the next three years.

Additionally, the proposal summary provided by Gallagher shows some potential opportunities to decrease the total proposal cost increase by approving a higher deductible. A representative from Gallagher will walk through these potential scenarios and their merits for the Board to consider.

The total estimate annual premium from Gallagher comes in at **\$34,110**. The FY24 budget includes \$34,000 for insurance premiums.

West Michigan Airport Authority

July 1, 2023 to July 1, 2024



Premium and Rate Analysis Projections for Renewal

Coverage	22-23 Exposures @ 22-23 Rates	23-24 Exposures @ 23-24 Estimated Rates	% Change	\$ Change	Notes
Workers Compensation	Accident Fund	Accident Fund			
Exposure (Total Payroll)	\$ 15,000	\$ 100,000	566.67%	\$ 85,000	Automatic Renewal - Updating Payroll. Premium is based off the rates and carrier minimums. Renewal policy has not yet been issued and will likely come in \$500 onced processed, pricing based on amount not to exceed.
Rate per \$100 in Payroll	\$ 0.090	\$ 0.090	0.00%	\$ -	
Modified Premium	\$ 14	\$ 90	566.67%	\$ 77	
Fees and Taxes	\$ 362	\$ 250	-30.94%	\$ (112)	
Total Premium	\$ 376	\$ 500	32.98%	\$ 124	
Property	Travelers	Travelers			
Exposure (TIV)	\$ 8,025,767	\$ 9,427,707	17.47%	\$ 1,401,940	TIV increase required from carrier, Travelers via Corelogic reports. Travelers will require an additional 4.5%-5% increase on Hangars for next term.
Rate per \$100 in TIV	\$ 0.176	\$ 0.175	-0.44%	\$ (0)	
Premium	\$ 14,139	\$ 16,532	16.92%	\$ 2,393	
Public Officials and EPLI	Greenwich	Greenwich			
Limit	\$ 5,000,000	\$ 5,000,000			Savings due to decrease in revenues and admitted filing prcing constraints.
Premium	\$ 7,521	\$ 6,962	-7.43%	\$ (559)	
Engineering Fee	\$ 195	\$ 195	0.00%	\$ -	
Total Premium	\$ 7,716	\$ 7,157	-7.24%	\$ (559)	
Airport Owners and Operators Liability	Chubb	Chubb			
Limit	\$ 20,000,000	\$ 20,000,000			Three Year Term Offered. Marketed coverage and Chubb remains most competetive.
Price per Million	\$ 333	\$ 383	15.00%		
Premium	\$ 6,653	\$ 7,651	15.00%	\$ 998	
Cyber Liability	CFC	CFC			
Limit	\$ 1,000,000	\$ 1,000,000			Decrease due to cyber market stabilizing and decrease in revenues.
Premium	\$ 2,910	\$ 2,270	-21.99%	\$ (640)	
Total Premium	\$ 31,794	\$ 34,110	7.28%	\$ 2,316	All Premiums Annualized

Notes:

Airport Owners and Operators Liability:

Option for a 3 Year Policy - \$7,651 Fixed Premium for 3 Years - \$22,953 for total 3 year

Obtained an option from Starr but pricing was higher at \$7,728 & Hangarkeepers Coverage was only at \$5M instead of \$10M. In addition, they can't do a 3 year policy.

Obtained an option from AIG but pricing was higher at \$11,832

Public Officials and EPLI:

See Tab POL and EPLI for Limit Options and Pricing

Property

Building values increased per CORElogic. Travelers will also be increasing 4.5-5% at a minimum next year for the Hangars as they did a stairstep increase on these locations.

Increased Deductible Options:

\$2,500 to \$5,000 - Savings of \$661 annual premium or total premium revised to \$15,871. Drops overall increase to 5.21%

\$2,500 to \$10,000 - Savings of \$1,432 annual premium or total premium revised to \$15,100. Drops overall increase to 2.78%

Schedule of Property Values - Travelers
7/1/2023

	Location 1 Building 1	Location 1 Building 2	Location 1 Building 3	Location 1 Building 4	Location 1 Building 5	Location 1 Building 6	TOTALS
Location Addresses:	1581 S Washington Ave Holland, MI 49423	1581 S Washington Ave Holland, MI 49423	1581 S Washington Ave Holland, MI 49423	1581 S Washington Ave Holland, MI 49423	1581 S Washington Ave Holland, MI 49423	60 Geurink Boulevard Holland, MI 49423	
Occupancy Type:	Hanger Center	Hanger West	Hanger East	Runway Signs and Lights	Instrumental Landing System w/ Lights	New Terminal	
Building Construction / Description:	Non-Combustible	Non-Combustible	Non-Combustible				
Construction Type:							
Square Footage:	9,250	9,250	9,250				
Sprinklered? Type?							
Fire Alarm? Type?							
****ALL VALUES SHOULD BE LISTED AS REPLACEMENT COST VALUES - NOT Current Book Values.							
Real Property Values:							
Building Value	\$ 666,000	\$ 666,000	\$ 666,000			\$ 3,927,430	\$ 5,925,430
Fencing							\$ -
Underground Property							\$ -
Signs							\$ -
Runways, Taxiways, Aprons, etc.							\$ -
Lighting / Navigation Equipment				\$ 990,192	\$ 1,320,000		\$ 2,310,192
Personal Property Values:							
Office Equipment / Furniture	\$ 113,568	\$ 113,568	\$ 113,568			\$ 170,352	\$ -
Machinery							\$ 511,056
Computer Equipment (including printers, copiers, faxes, scanners, etc)	Included		\$ 105,000				\$ -
Computer Software	Included						\$ 105,000
Fine Art							\$ -
Signs							\$ -
Inventory							\$ -
Valuable Papers and Records							\$ -
Improvements and Betterments							\$ -
Mobile Equipment (Tugs, fuel trucks, APU's, forklift, etc.)							\$ -
Tools - Owner Owned							\$ -
Tools - Employee Owned							\$ -
Property of Others in your Care, Custody or Control							\$ -
Property at other Locations							\$ -
Property In Transit							\$ -
Other							\$ -
Spare Aircraft Parts							\$ -
Business Interruption / Extra Expense Valuation							
(use BI Worksheet for specific calculations)	\$ 76,029						\$ -
Ordinary Payroll?							\$ 76,029
Dependant Properties?							\$ -
Machinery Breakdown / Boiler Equipment							\$ -
TOTALS - The Travelers Indemnity Company	\$ 855,597	\$ 779,568	\$ 884,568	\$ 990,192	\$ 1,320,000	\$ 4,097,782	\$ 8,927,707

Flood 500,000
Blanket Property Limit: \$ 9,427,707

Deductible: \$2,500
Earthquake coverage is excluded.

Travelers will require Locations 1-3 to be increased to match Corelogic reports of \$793,411 or an additional \$382,233 of values at a minimum.

Airport Owners & Operators Liability



West Michigan Airport Authority
July 1, 2023 to July 1, 2024

Coverages	Coverage Limits	Basis
General Liability Limits		
Each Occurrence	\$20,000,000	Each Occurrence
Products / Completed Operations Aggregate	\$20,000,000	Each Occurrence
Malpractice Annual Aggregate Limit	\$20,000,000	Aggregate
Extended Coverage - War, Hi-jacking and Other Perils Annual Aggregate Limit	\$20,000,000	Aggregate
Non-Owned Aircraft Liability	\$20,000,000	Each Occurrence
Fire Damage - Any One Fire	\$100,000	Each Occurrence
Employee Benefits Liability	\$1,000,000	Each Loss
Premises Medical Payments	\$1,000	Each Person
Hangarkeeper's Liability Limits		
Hangarkeeper's - Any One Aircraft	\$20,000,000	Any One Aircraft
Hangarkeeper's - Any One Occurrence	\$20,000,000	Per Occurrence
Deductibles		
General Liability Each Occurrence	\$0	Per Loss
Hangarkeeper's Liability	\$1,000	Each Aircraft / Each Occurrence

Additional Coverages
Damage to Your Work and Damage to Your Products Exclusion(s) - Removed
Mutual Aid Agreements included as part of the Airport Operations definition
Excess Auto Liability - Off Premises Coverage - \$20,000,000 - Excess of \$1,000,000 any accident/occurrence.
Excess Employers' Liability (excluding disease) - \$20,000,000 - Excess of \$1,000,000 any one accident/occurrence.
Immunity Waiver Endorsement
Volunteers Endorsement
Incidental Medical Malpractice Liability - Included
Airside Auto Liability - Included
War Risks Liability - Included
Contingent Control Tower Liability - Included
Personal Injury extended to include Discrimination
90 Day Cancellation - 10 Day Non-Payment of Premium

Noise, Pollution and other Perils Exclusion Clause
Nuclear Risk Exclusion
Silica and Silica-Related Dust Exclusion
Exclusion - Per fluorinated Chemicals

Public Officials Liability and EPLI



West Michigan Airport Authority

July 1, 2023 to July 1, 2024

Coverages	Coverage Limits	Basis
Public Officials and Employment Practices Liability Limits		
Public Officials Management	\$5,000,000	Each Loss
Employment Practices Liability	\$5,000,000	Each Loss
Policy Aggregate	\$5,000,000	Each Loss
Non-Monetary Coverage - Defense Only	\$50,000	Each Loss
Non-Monetary Coverage - Defense Only Aggregate	\$100,000	Each Loss
Crisis Management	\$25,000	Each Loss
Deductibles		
Public Officials Management	\$2,500	Each Loss
Employment Practices Liability	\$10,000	Each Loss
Non-Monetary Coverage - Defense Only	\$2,500	Each Loss
Crisis Management	\$5,000	Each Loss

Additional Coverages	
Additional Insureds - Board, Commissions, etc.	
25% Minimum Earned Premium	
No Flat Cancellations	
US Professional Indemnity - Cyber Exclusion	
See Policy for Extended Reporting Period	
Enhancements	
Punitive Damages	
Personal Injury	
Third Party Wrongful Acts	
Back Pay/ Front Pay	
Loss of Earnings	

Limit Options and Pricing	Expiring Premium incl \$195 Fee	23/24 Premium incl \$195 Fee	% Change	\$ Change
\$1,000,000 Limit	\$ 7,716.00	\$ 4,190.00	-45.70%	\$ (3,526.00)
\$2,000,000 Limit	\$ 7,716.00	\$ 5,489.00	-28.86%	\$ (2,227.00)
\$3,000,000 Limit	\$ 7,716.00	\$ 6,263.00	-18.83%	\$ (1,453.00)
\$4,000,000 Limit	\$ 7,716.00	\$ 6,775.00	-12.20%	\$ (941.00)
\$5,000,000 Limit	\$ 7,716.00	\$ 7,157.00	-7.24%	\$ (559.00)

Workers Compensation



West Michigan Airport Authority
July 1, 2023 to July 1, 2024

Coverages	Coverage Limits	Basis	
Basic Policy Limits			
Workers Compensation (Coverage A)	Statutory	Each Accident	
Employers Liability (Coverage B)			
Per Accident	\$1,000,000	Each Accident	
Per Disease	\$1,000,000	Per Employee	
Policy Limit	\$1,000,000	Policy Limit	
Deductible			
Deductible	\$0	Per Injury	
Payrolls			
Classification	2022 / 2023 Renewal Payroll	2023 / 2024 Renewal Payroll	% Change
8810 - Clerical	\$15,000	\$100,000	567%

Cyber Liability



West Michigan Airport Authority
July 1, 2023 to July 1, 2024

Coverages	Coverage Limits	Basis
Cyber Liability Limits		
All Insuring Clauses Combined	\$1,000,000	Aggregate
Cyber Incident Response	\$1,000,000	Aggregate
Legal and Regulatory Costs	\$1,000,000	Aggregate
IT Security and Forensic Costs	\$1,000,000	Aggregate
Crisis Communication Costs	\$1,000,000	Aggregate
Privacy Breach Management Costs	\$1,000,000	Aggregate
Third Party Privacy Breach Management Costs	\$1,000,000	Aggregate
Post Breach Remediation Costs	\$50,000	Aggregate, subject to a max of 10% of sums paid as a direct loss of a cyber event
Extortion	\$1,000,000	Aggregate
Cyber Crime Loss	\$250,000	Aggregate
Electronic Theft of Third Party Funds Held in Escrow	\$250,000	Aggregate
Electronic Theft of Personal Financial Assets	\$250,000	Aggregate
Authorized Push Payment Fraud	\$250,000	Aggregate
Telephone Hacking	\$250,000	Aggregate
Unauthorized use of Computer Resources	\$250,000	Aggregate
Telephone Hacking	\$1,000,000	Aggregate
Unauthorized use of Computer Resources	\$250,000	Aggregate
Telephone Hacking Loss	\$100,000	Aggregate
Fund Transfer Fraud	\$100,000	Aggregate
System Damage and Rectification Costs	\$1,000,000	Aggregate
Business Income and Extra Expense	\$1,000,000	Aggregate
Dependent Business Interruption	\$1,000,000	Aggregate
Claim Preparation Costs	\$25,000	Aggregate
Network Security Liability	\$1,000,000	Aggregate
Privacy Liability	\$1,000,000	Aggregate, including costs and expenses
Management Liability	\$1,000,000	Aggregate, including costs and expenses
Regulatory Investigation Costs	\$1,000,000	Aggregate, including costs and expenses
Merchant Services Liability	\$1,000,000	Aggregate, including costs and expenses
Media Liability - Defamation	\$1,000,000	Aggregate, including costs and expenses
Intellectual Property Rights Infringement	\$1,000,000	Aggregate, including costs and expenses
Deductibles		
Cyber Liability Loss	\$5,000	Per Loss
Cyber Crime Loss	\$10,000	Per Loss

Recommendation

It is recommended that the Board vote to approve the FY24 Insurance Proposal as presented.

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

West Michigan Airport Authority

Meeting Date: June 12, 2023

Agenda Item:

Subject: FY 2023 Year-End Budget Amendment

Prepared By: Lynn McCammon, City Finance,
Aaron Thelenwood, Director

Recommendation: It is recommended that the Authority Board approve the proposed amendments to the Fiscal Year 2023 budget as presented

The Authority annual budget is approved in May prior to the beginning of the fiscal year. At that time, revenues and expenditures are estimated based on the information available at that time. Given the use of estimated, budget amendments are used to account for any significant changes that occur. The Authority typically amends the budget mid-year and at fiscal year-end. Attached is a detailed list of proposed amendments which are intended to more accurately reflect expenditures in each account and keep the overall department balances in budget as required by state law.

Revenues (proposed increase in FY 2023 budget of \$210,100)

More notable changes are as follows:

- Contributions from Other Governments (property tax revenues) are adjusted to the actual amounts collected accounting for \$20,500 of the increase.
- The American Rescue Plan Act (ARPA) grant is \$148,000.
- Investment income is \$15,000 higher given recent market rates and the additional cash from the Parcel K sale.

Expenditures (proposed increase in FY 2023 budget of \$43,720)

Contributing in part to the increase are the following:

- Airport Operations personnel services overall increase of \$6,320 to reflect actual expenses, but a number of increases and decreases in individual items to reflect the original budget including 2 full-time positions, but current staffing remains at 1 full-time and 1 40 hour/week part-time staff.
- Airport Operations Other Current Expenditures is proposed to increase by \$71,500. Contributing to the increase are higher promotional expenditures (\$15,000), legal expenses (\$20,000), mowing (\$15,000), Building Maintenance (\$10,500) and additional City Fiscal Services/Human Resource Consulting (\$5,000)
- Contingencies for the General Fund was decreased to \$50,000.
- Business Center expenses increased by \$4,600 reflecting actual amounts vs original estimates.

Capital Fund Budget

The Capital Fund was established during FY 2023. The budget amendment reflects the anticipated capital expenditures for the current fiscal year and an additional Contingency of \$50,000 for any outstanding capital related invoices. As a reminder, the actual entries are recorded at year-end from data provided by Mead & Hunt.

WMAA Fiscal Year-End 2023 Budget Amendment

Account	Account Description	2023 Current Budget	2023 Proposed Budget	Increase (Decrease)
Fund Z01 - WMAA (Airport) General Fund				
REVENUE				
420528	Federal Grant - Other		148,000.00	148,000.00
440573	State-Reim Local PPT Tax Loss	19,400.00	20,700.00	1,300.00
450582.C	Contributions from Other Govts From City of Holland	123,100.00	120,800.00	(2,300.00)
450582.P	Contributions from Other Govts From Park Township	120,000.00	123,600.00	3,600.00
450582.ST	Contributions from Other Govts City of Holland-Other	-	-	-
450582.Z	Contributions from Other Govts From City of Zeeland	63,000.00	82,200.00	19,200.00
460654.1	Franchise Fees FBO Franchise Fees	25,500.00	27,500.00	2,000.00
460654.5	Franchise Fees Fuel Flowage Fee	70,000.00	80,000.00	10,000.00
460654.7	Franchise Fees Landing Fees	30,000.00	30,000.00	-
480665.0	Investment Income General	8,000.00	23,000.00	15,000.00
480669.24	Rental Hangar Land Lease	116,000.00	128,500.00	12,500.00
480669.25	Rental Agricultural Land Lease	12,600.00	13,500.00	900.00
480669.26	Rental T-Hangars	58,000.00	58,000.00	-
480669.A	Rental Airport Business Center	8,800.00	8,800.00	-
490685.2	Recoveries Other Parties	3,000.00	2,700.00	(300.00)
490692.0	Miscellaneous General	-	200.00	200.00
REVENUE TOTALS		657,400.00	867,500.00	210,100.00
EXPENSE				
Department 540 - Airport Operations				
PERSONNEL SERVICES				
710701.0	Payroll-Regular General	141,737.00	113,800.00	(27,937.00)
710707.0	Payroll-Temporary Help General	-	42,000.00	42,000.00
711702.0	Payroll-Vacation/PTO General	11,150.00	11,150.00	-
711703	Payroll-Holidays	4,800.00	4,800.00	-
711716.1	Insurance Health	18,000.00	18,000.00	-
711716.2	Insurance Dental	420.00	-	(420.00)
711718.1	Retirement Contribution MERS	12,810.00	7,700.00	(5,110.00)
711720	Insurance-Income Protection	1,670.00	1,670.00	-
712715	Employer FICA/Medicare Contribution	12,250.00	10,600.00	(1,650.00)
712723	Unemployment Comp Insurance	48.00	-	(48.00)
712724	Workers Comp Insurance	715.00	200.00	(515.00)
PERSONNEL SERVICES Totals		203,600.00	209,920.00	6,320.00
OTHER CURRENT EXPENDITURES				
721730.0	Postage General	-	100.00	100.00
721740.0	Operating Supplies General	1,000.00	3,200.00	2,200.00
721740.CAP	Operating Supplies Controlled Items-Capital Type	1,600.00	1,800.00	200.00
721905.0	Photocopies/In-House Printing General	-	100.00	100.00
721931.0	Bldg & Grnds Maint General	8,000.00	18,500.00	10,500.00
721933.0	Equipment Maintenance General	16,000.00	16,000.00	-
722801.9010	Contr-Printing Advertising/Promotional	40,000.00	55,000.00	15,000.00
722804.0	Contractual-Legal General	20,000.00	40,000.00	20,000.00
722805.1	Contractual-Finance Independent Audit	7,900.00	8,100.00	200.00
722805.4	Contractual-Finance Financial Service Fees	2,000.00	2,000.00	-
722807.5	Contractual-Architect/Engineer Engineering	15,000.00	-	(15,000.00)
722808.MOW	Contr-Bldgs&Grnds Mowing	30,000.00	45,000.00	15,000.00
722808.MTCE	Contr-Bldgs&Grnds Maintenance-General Repairs	23,000.00	23,000.00	-
722808.SNOW	Contr-Bldgs&Grnds Snowplowing	50,000.00	52,200.00	2,200.00
722809.61	Contractual-Misc Management Services	28,000.00	33,000.00	5,000.00
722809.62	Contractual-Misc Airport Manager-Tulip City Air	2,000.00	2,000.00	-
OTHER CURRENT EXPENDITURES Totals		244,500.00	316,000.00	71,500.00

WMAA Fiscal Year-End 2023 Budget Amendment

<i>OTHER</i>				
723850.0	Communications Telephone	600.00	700.00	100.00
723850.CELL	Communications Cellular	1,200.00	1,200.00	-
723850.WIFI	Communications WIFI Internet Connection	-	400.00	400.00
723860.0	Travel, Conf, Seminars General	3,000.00	3,300.00	300.00
723910.0	Commercial Insurance Premiums General	31,800.00	31,800.00	-
723920.GAS	Public Utilities Natural Gas	-	100.00	100.00
723920.GATE	Public Utilities Fence Gates	500.00	800.00	300.00
723920.LAND	Public Utilities Landing Lights & System	3,500.00	4,500.00	1,000.00
723920.PLOT	Public Utilities Parking Lot Lights	1,000.00	700.00	(300.00)
723920.RUNW	Public Utilities Runway Lights	5,000.00	6,000.00	1,000.00
723920.THAN	Public Utilities T-Hangars	5,000.00	6,000.00	1,000.00
723942.0	Building Rental/Lease General	1,000.00	1,000.00	-
723955.0	Misc. General	3,000.00	6,700.00	3,700.00
723955.MTG	Misc. Meetings	-	2,100.00	2,100.00
723955.T	Misc. T-HANGAR REPAIRS	-	5,000.00	5,000.00
723961.0	Dues & Subscriptions General	2,000.00	2,500.00	500.00
723964.2	Refunds Property Tax Prior Years	-	300.00	300.00
<i>OTHER CURRENT EXPENDITURES Totals</i>		57,600.00	73,100.00	15,500.00
<i>OTHER</i>				
730977.0	Machinery & Equipment General	-	600.00	600.00
770956.0	Contingency General	104,200.00	50,000.00	(54,200.00)
Department 540 - Airport Operations Totals		609,900.00	649,020.00	39,120.00
Department 541 - Business Center				
721931.GRND	Bldg & Grnds Maint Grounds Maintenance	5,000.00	5,000.00	-
721933.0	Equipment Maintenance General	5,000.00	-	(5,000.00)
722808.1	Contr-Bldgs&Grnds Janitorial	7,500.00	9,000.00	1,500.00
723850.0	Communications Telephone	2,600.00	3,800.00	1,200.00
723850.WIFI	Communications WIFI Internet Connection	2,700.00	3,600.00	900.00
723920.BPW	Public Utilities BPW	18,000.00	22,000.00	4,000.00
723920.GAS	Public Utilities Natural Gas	4,500.00	6,500.00	2,000.00
Department 541 - Business Center Totals		45,300.00	49,900.00	4,600.00
EXPENSE TOTALS		655,200.00	698,920.00	43,720.00
Fund Z01 - WMAA (Airport) General Fund Totals		2,200.00	168,580.00	166,380.00
Fund Z403 - WMAA (Airport) Capital Projects				
REVENUE				
420502.24	Federal Grant FAA Capital	138,000.00		(138,000.00)
430502.24	State Grant MDOT State Capital	2,500.00	-	(2,500.00)
450582.ST	Contributions from Other Govts City of Holland-Other	0	703,400.00	703,400.00
REVENUE TOTALS		140,500.00	703,400.00	562,900.00
EXPENSE				
730974.0	Land Improvements General	213,350.00	-	(213,350.00)
722807.2	Contractual-Architect/Engineer Plan Development	-	15,000.00	15,000.00
722807.5	Contractual-Architect/Engineer Engineering	15,000.00	111,600.00	96,600.00
770956.0	Contingency General	-	50,000.00	50,000.00
EXPENSE TOTALS		228,350.00	176,600.00	(51,750.00)
Fund Z403 - WMAA (Airport) Capital Projects Totals		(87,850.00)	526,800.00	614,650.00

West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423
P (616) 368-3023

Comprising City of Zeeland, Park Township and City of Holland



June 12th, 2023

REPORT #9

To: West Michigan Airport Authority Board.
From: Amanda VanLaar, Sustainability and Operations Specialist
Subject: **Approval of T-Hangar Repair Proposal with CL Construction**

Over the course of the past three decades, the three T-Hangar buildings have endured the effects of weathering, resulting in visible signs of wear and tear. Additionally, Building "C" sustained some damage during the recent winter as a result of snow removal efforts. To ensure that the T-Hangars continue to meet functionality and safety standards while satisfying the needs of our tenants, staff have obtained quotes for the necessary repairs.

The Airport solicited requests for quotes from five companies, however only two quotes were received. Namely from C&L Construction and Lakewood Construction. The two quote totals differ drastically in terms of cost. So, to facilitate a meaningful comparison between the quotes, staff decided to break down to the cost of materials, using repairs on Hangar Unit C as a baseline. Costs for labor is baked into the quotes.

Upon reviewing the quotes, the cost comparison for the large siding sheets required to repair the damage **T-Hangar C** is as follows:

- C&L Construction: \$1,533.73
- Lakewood Construction: \$2,400

Considering the overall repairs including the cost of labor provided in each quote, the total cost for the recommended repairs on all **three (3) T-Hangar Buildings** from CL Construction is as follows:

- C&L Construction: \$8,871.86

The quote from C&L Construction focuses on a more targeted approach, emphasizing the replacement of necessary components while salvaging existing materials and implementing patches for other required repairs. This approach aims to optimize costs without compromising the structural integrity or safety of the T-Hangar buildings.

Given the difference in material costs staff are recommending the Board approve C&L Construction's quote. These repair expenses are anticipated to occur in the upcoming fiscal year, FY24, and will necessitate a budget amendment as the current budget allocation for T-Hangar repairs is \$5,000.

Recommendation

It is recommended that the Board take the following actions:

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.

West Michigan Airport Authority

60 Geurink Boulevard, Holland, MI 49423

P (616) 368-3023

Comprising City of Zeeland, Park Township and City of Holland



1. Approve the quote provided by C&L Construction for major and minor repairs on all three T-Hangar buildings.
2. Approve a budget amendment to accommodate the necessary repairs on the T-Hangars.

The West Michigan Airport Authority will provide the public with state-of-the-art global air access to strengthen the local economy and improve the area's quality of life.



License #2102121247

PROPOSAL

SPECIFICATIONS AND ESTIMATE

PROPOSAL SUBMITTED TO	PHONE	DATE
WMRA	616-291-7811	February 16, 2023
STREET	JOB NAME	
60 Geurink BLVD	T Hanger Repairs	
CITY, STATE AND ZIP CODE	JOB LOCATION	
Holland MI 49423	T Hangers @ BIV	

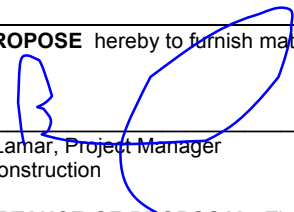
We hereby propose to furnish materials and labor necessary for the completion of:

Furnish and Install 6 new steel panels 77.5" long
Salvage old sheets and cut 12" patches to patch 12 area's of holes to keep weather out
Patches include cleaning up damaged hole and stitching to back side of existing sheet
Install 2 new corners
Install OH door jamb wrap on a door
Install new J channel on service door
Install new Hangar door edge cover
Repair OH door jamb and install new jamb cover – new patch over siding
Install stich screws in several siding laps to hold torn siding in 3 area's

Clarifications:

All work performed during normal business hours, Access around the site is needed at max 2 % grade.
New siding and metal pieces will not match siding perfectly in color or profile as old doesn't exist, CL didn't include any custom painting.

Thanks for the opportunity to help you with this project!

WE PROPOSE hereby to furnish material and labor-complete in accordance with above specifications, for the sum of:	
	<u>\$ 8,871.86</u>
Brian Lamar, Project Manager C.L. Construction	<u>February 16, 2023</u> Date
ACCEPTANCE OF PROPOSAL The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made 15 days within receipt of invoicing. A service charge of 2% is applied to all past due accounts. Proposal valid for 15 days. Please attach proof of financing if applicable	
_____ Signature	_____ Date of Acceptance

*Two copies of this proposal are enclosed. Sign both and retain one for your records. Return 2nd copy to C.L. Construction.



West Michigan Regional Airport T Hanger Repairs
Holland, MI

Description of Work	Building Programming & Trade Costs						Total	Cost/SF	
T-Hanger A	SC	Calc.	UOM	CPU					
Lower Bi-fold door Siding Sheet Replacement	37	777	SF	10			\$9,713	\$13	
Full Height Siding Sheet Replacement	3	144	SF	10			\$1,800	\$13	
J - Channel Replacement	4	40	LF	8			\$400	\$10	
Corner Trim Replacement	6	60	LF	8			\$600	\$10	
OH Door Jamb Replacement	1	10	LF	8			\$100	\$10	
New Screws	853	3	Each	60			\$256	\$75	
Exterior Painting		7,000	SF	1.25			\$10,938	\$2	
		7,000	SF				Total	\$23,806	\$ 3.40

T-Hanger B								
Lower Bi-fold door Siding Sheet Replacement	42	882	SF	10			\$11,025	\$13
Full Height Siding Sheet Replacement	6	288	SF	10			\$3,600	\$13
J - Channel Replacement	12	120	LF	8			\$1,200	\$10
Lower Bi-fold Door End Cap Replacement	3	30	LF	9			\$338	\$11
Base Trim Replacement	1	10	LF	8			\$100	\$10
Corner Trim Replacement	5	50	LF	8			\$500	\$10
OH Door Jamb Replacement	1	10	LF	8			\$100	\$10
New Screws	1153	5	Each	60			\$346	\$75
Exterior Painting		7,000	SF	1.25			\$10,938	\$2
7,000			SF	Total			\$28,146	\$ 4.02

T-Hanger C								
Lower Bi-fold door Siding Sheet Replacement	42	882	SF	10			\$11,025	\$13
Full Height Siding Sheet Replacement	6	288	SF	10			\$3,600	\$13
J - Channel Replacement	2	20	LF	8			\$200	\$10
Base Trim Replacement	3	30	LF	8			\$300	\$10
Corner Trim Replacement	2	20	LF	8			\$200	\$10
Man Door Replacement		1	Each	2,200			\$2,750	\$2,750
New Screws	886	4	Each	60			\$266	\$75
Exterior Painting		7,000	SF	1.25			\$10,938	\$2
		7,000	SF	Total			\$29,278	\$ 4.18

Overall Projecet Misc Costs								
Temp water hook up to fire hydrant		1	Each	1,500			\$1,875	\$1,875
Temporary Protection		1	Each	1,000			\$1,250	\$1,250
Supervision		20	HR	85			\$2,125	\$106
Safety		3	Each	250			\$938	\$313
		21,000	SF	Total			\$6,188	\$ 0.29

Total Construction Costs	21,000	BGSF						
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PROPOSAL

TO: West Michigan Regional Airport
ATTN: Amanda VanLaar
DATE: 4/24/2023
ADDRESS: 60 Geurink Blvd
Holland, MI 49423

QUOTE NO: 33

QUOTE DATE	VALID THRU	JOB NAME	PAGE
4/24/2023	6/22/2023	T Hanger updates	1

Lakewood Construction proposed to provide labor, material, and supervision to,

ITEM NO	QTY.	DESCRIPTION	UNIT PRICE	EXTENDED
	1	Furnish material and labor to perform the siding repairs/replacement on T-hangers A, B, and C as detailed in the budget sheet and markups report	38,734.00	38,734.00
	1	Exterior Paint work - Hangers A, B, and C	28,875.00	28,875.00
	1	Temporary water meter hook-up to fire hydrant or neighboring business if required	1,650.00	1,650.00
	1	Safety requirements	825.00	825.00
	1	Protection of surrounding surfaces	1,100.00	1,100.00
	20	Supervision	85.00	1,700.00
	1	Project contingency	6,993.00	6,993.00
	1	OH/P	10,490.00	10,490.00

TOTAL AMOUNT 90,367.00

Progress payments are to be made monthly within **ten (10)** days from date of invoice.

All work to be completed in workmanlike manner according to standard industry practices. Any alterations, deviations, or changes from the above involving extra costs will be executed only upon written orders and will become an extra charge over and above this estimate. All agreements are contingent upon strikes, accidents, or delays beyond our control. The Owner is to carry Builder's Risk and other necessary insurance.

This proposal may be withdrawn if not accepted in **30 days**.

Accepted By: _____ Date: _____

Quoted by: Tyler Current Phone: (616) 879-9505

WMAA MONTHLY FBO REPORT

West Michigan Regional Airport FBO Report FlightLevel BIV May 2023

Total Fuel Gallons Delivered

	Current Month May 2023	One Year Ago May 2022	Fiscal Year To Date 01/01/23-12/31/23	F/Y to Date Compared 01/01/22-12/31/22	
Avgas	4,439	4,114			
Jet Fuel	55,261	51,459			
Total Gallons Delivered	59,700	55,573	215,770	223,752	(7982)

Transplant/Ambulance Flights

3

Wings Of Mercy Operations

1

Freight Flights From/To Holland

7

Freight Weight

7,000lbs

Number of Parts if Known

32 skids and 2 boxes