

November 28, 2006

The Regular meeting of the Otsego County Board of Commissioners was held in the Multi-Purpose Room of the J. Richard Yuill Alpine Center. The meeting was called to order at 9:30 a.m. by Chairman Beachnau. Invocation by Commissioner Glasser, followed by the Pledge of Allegiance led by Commissioner Backenstose.

Roll call:

Present: Backenstose, Bates, Beachnau, Liss, Olsen, Glasser, Johnson, Hyde.

Excused: Bentz.

The regular meeting of November 9, 2006 minutes with attachments were approved as corrected. The minutes were corrected to read on page 2 Motion by Commissioner Glasser, to adopt the 2006 Apportionment report as presented. Ayes: Unanimous. Motion carried.

The agenda was amended to add under new business, financials number 4) Building and Grounds Budget Amendment; Item D) Budget and Finance 1) Public improvement policy; 2) Sheriff Department request.

Item L) Airport Advisory Committee Reappointment-Jeff Ratcliffe was removed from the Consent Agenda and add under new business as item E).

Consent Agenda:

OCR-06-49 Brownfield Grant Support.

Roll Call Vote:

Ayes: Unanimous.

Nays: None.

Motion carried/Resolution adopted. (see attached)

OCR-06-52 Mortgage Discharge Marilyn Henderson.

Roll Call Vote:

Ayes: Unanimous.

Nays: None.

Motion carried/Resolution adopted. (see attached)

OCR-06-53 Court Employees Retirement Health Fund.

Roll Call Vote:

Ayes: Unanimous.

Nays: None.

Motion carried/Resolution adopted. (see attached)

USDA Lease was approved via unanimous consent. (see attached)

ROD Imaging Contract was approved via unanimous consent. (see attached)

Community Mental Health lease was approved via unanimous consent. (see attached)

Government Payment Services Agreement was approved via unanimous consent. (see attached)

The At Will Employment Policy was approved via unanimous consent. (see attached)

The Land Use Services 2006 Budget Amendment was approved via unanimous consent. (see attached)

The MISC Funds 2006 Budget Amendments were approved via unanimous consent. (see attached)

The Sheriff's Department 2006 Budget Amendment was approved via unanimous consent. (see attached)

OCR-06-54 Housing Grant Application.

Roll Call Vote:

Ayes: Unanimous.

Nays: None.

Motion carried/Resolution adopted. (see attached)

The Avfuel Contract was approved via unanimous consent. (see attached)

The FAA lease was approved via unanimous consent. (see attached)

The 2007 Holiday Schedule was approved via unanimous consent. (see attached)

Administrator's report:

John Burt reported he has received bids for windows on the Alpine Center; Gas cards have been switched to Superfleet; Bids for snowplowing; USDA new lease; Government Payment Services Inc. accepting credit cards for services; Community Mental Health lease.

Correspondence:

The Chairman received a memo from the Sportsplex regarding a rate increase request.

Motion by Commissioner Bates, to adopt the proposed rate increase for the Sportsplex, including raising the ice rink rates and pool usage rates by \$15.00 per hour. Ayes: Unanimous. Motion carried.

Special Presentations:

Rachel Frisch presented the Board with the financial update.

Richard Edmonds updated the Board with the progress of the master plan.

Patricia Osborn presented to the Board the 2006 plat books.

Joshua Meyerson, M.D. addressed the Board regarding the Pandemic Flu preparations.

New Business:

Motion by Commissioner Liss, to approve Warrant B2006-46 in the amount of \$93,834.47 with prepaids in the amount of \$13,399.78 as presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Johnson, to approve Warrant B2006-47 in the amount of \$78,104.86 with prepaids in the amount of \$848.45 presented. Ayes: Unanimous. Motion carried.

Motion by Commissioner Hyde, to approve Warrant B2006-48 in the amount of \$165,838.65 as presented.

Motion by Commissioner Backenstose, to approve the Building & Grounds/Delinquent Tax Revolving Fund 2006 Budget amendment as presented. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Bates, to approve the 2007 Board Meeting Dates as presented. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Bates, to approve the updated Board Rules/Bylaws as presented. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Olsen, to adopt the Public Improvement Fund Borrowing Policy as presented. Ayes: Unanimous. Motion carried. (see attached)

Motion by Commissioner Glasser, to retain the current roster of Sheriff's Department Deputies as it is until the retirement of Detective Glenn Crane on January 20, 2007, with savings being placed in the Budget Stabilization Fund. Ayes: Unanimous. Motion carried.

Motion by Commissioner Hyde, to approve OCR-06-55 Airport Equipment Sale. A motion to amend above motion by Hyde to add the language of "with conditions" to have the sentence read, Resolved, that the Otsego County Board of Commissioners authorizes the sale of the original terminal building to the Experimental Aircraft Association chapter 1095 for \$2,500 with conditions. Vote of amendment-Ayes: None, Nays: Unanimous. Amendment failed.

Motion by Commissioner Bates, to amend OCR-06-55 to delete the words "*and the original airport terminal building*" and inserting the word "*and*" to the sentence will read, whereas, this equipment includes a fire truck and a fuel truck; and deleting the entire sentence of, *resolved, that the Otsego County Board of Commissioners authorized the sale of the original terminal building to the Experimental Aircraft Association chapter 1095 for \$2,500; and be it, further.*

Ayes: Unanimous. Motion carried/Resolution adopted as amended. (see attached)

Public Comment:

Joe Edwartowski had a question with regards to the December Board meeting date.

Suzy DeFeyter announced to the Board that on December 5, 2006 at 3:00 with the Honorable Patricia A. Morse, Chief Judge, there will be a swearing in ceremony for the County Commissioners, Road Commissioner, Circuit and Probate Judge at the City-County Building in the Circuit Courtroom.

Board Remarks:

Commissioner Backenstose: Attended the Library meeting.
 Attended the MTA meeting.

Commissioner Hyde: Announced a walk through of the Airport terminal is
 Thursday November 30, 2006 at 2:00 p.m.

Meeting adjourned at 10:46 a.m. at the call of the Chair.

Paul M. Beachnau, Chairman

Susan I. DeFeyter, County Clerk

RESOLUTION NO. OCR 06-49
Resolution in Support of an Application for U.S. EPA Brownfield Redevelopment Grant
by the Otsego County Brownfield Redevelopment Authority
Otsego County, Michigan

Whereas, the U.S. Environmental Protection Agency (EPA) provides grants and loans to communities through its Brownfield Grant Program to encourage reuse of brownfield properties by funding environmental assessment and response activities;

Whereas, Otsego County has formed the Otsego County Brownfield Redevelopment Authority (OCBRA) under Act 381, PA 1996 as amended that seeks to redevelop brownfields throughout Otsego County; and

Whereas, The Otsego County Brownfield Redevelopment Authority is actively identifying potential brownfield redevelopment opportunities and is working to remove barriers to redevelopment; and

Whereas, EPA Brownfield Assessment Grant funds can be used to remove unknowns regarding the environmental conditions of property that can be a barrier to its redevelopment; and

Whereas, Local governments, agencies, and the private sector have developed strong cooperative partnerships to meet community development goals, including encouraging investment and reuse of contaminated sites; and

Whereas, the Otsego County Board of Commissioners supports the Otsego County Brownfield Redevelopment Authority in its efforts to encourage investment on brownfield properties and supports the submittal of a grant application to the EPA; and

Whereas, the Otsego County Brownfield Redevelopment Authority intends to submit a brownfield grant application to the EPA and to use those funds to benefit the community and stimulate private investment; now, therefore, be it

Resolved, that the Otsego County Board of Commissioners supports the Otsego County Brownfield Redevelopment Authority in the submittal of a grant application to the U.S. Environmental Protection Agency for a community-wide brownfield assessment grant.

RESOLUTION NO. OCR 06-52
AUTHORIZING RESOLUTION
OTSEGO COUNTY BOARD OF COMMISSIONERS
November 28th, 2006

WHEREAS, the Otsego County Board of Commissioners is the owner of a property located at 2939 Birch St. Johannesburg, Michigan 49751 and has a mortgage recorded in Liber 885, Pages 363-376, Loan Modification in Liber 896, Pages 422-423 in the name of Marilyn Henderson, a single woman, and

WHEREAS, said Mortgage has been paid in full; now, therefore, be it

RESOLVED, that Otsego County hereby issue a DISCHARGE OF MORTGAGE to, Marilyn Henderson, a single woman; and be it further

RESOLVED, that the Otsego County Administrator, on behalf of the Otsego County Board of Commissioners, be authorized to sign said document.

RESOLUTION NO. OCR 06-53
Court Employees Retirement Health Fund

OTSEGO COUNTY BOARD OF COMMISSIONERS
November 28, 2006

WHEREAS, the Court Employees Retirement Health Fund (737) was created to fund health benefits for retired employees of the 46th Circuit Trial Court; and

WHEREAS, Otsego County, Crawford County, Kalkaska County, and certain 46th Circuit Trial Court employees and judges contributed to the fund; and

WHEREAS, on November 13, 2006 the Tri-County Court Committee voted unanimously to dissolve the Court Employees Retirement Health Fund and disburse the funds back to the appropriate contributing parties with interest; now, therefore, be it

RESOLVED, that the Otsego County Board of Commissioners authorizes the disbursement of all funds within the Court Employees Retirement Health Fund to the contributing parties based on the pro-rata percentage paid by each contributing party; and, be it, further

RESOLVED, that Kalkaska County will be reimbursed approximately \$129,179.93; Crawford County will be reimbursed approximately \$96,884.95; and Otsego will be reimbursed approximately \$177,622.40; and be it, further

RESOLVED, that the disbursement of funds not be made until authorized, via resolution, by all participating counties, and subsequently authorized by Judge Kolenda.

United States
Department of Agriculture
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT

DATE

NO. 5

November 9, 2006

TO LEASE NO.

57-5D21-98-1

ADDRESS OF PREMISES

800 Livingston Blvd.
Gaylord, MI 49735

THIS AGREEMENT, made and entered into this date by and between Otsego County

whose address is 225 West Main Street, Gaylord, MI 49735

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective December 1, 2006, as follows:

Effective December 1, 2006 through February 28, 2007 the monthly cost for rent will be \$481.00 per month with a charge of \$160.00 per month to cover the costs of the prorated share of utility costs for the NRCS space for a total of \$641.00 per month.

A new lease will be entered into effective March 1, 2007.

All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR

BY

(Signature)

(Title)

IN PRESENCE OF

(Signature)

(Address)

UNITED STATES OF AMERICA

BY Bonnie R. Kilgore

(Signature)

Contracting Officer

(Official Title)

US★ Imaging

Suzy DeFeyter
Clerk/Register of Deeds
Otsego County
225 W. Main
Gaylord, MI 49735

November 16, 2006

US Imaging is please to submit the following quote to scan your recorded documents from microfilm into digital images for importing into your Cherry Lan System. Additional services and/or changes may be added to this quote once they are clearly documented and signed by both parties to ensure a mutual understanding of the services provided.

Scan Libers 338 thru 699 from Microfilm

Requirements of Otsego County

- **Index Data** – Provide US Imaging with an ASCII Text File from your computer index containing the liber and page number of the first page of each document for the entire range of images to be scanned.
- **Hardware** – Install 100GB of hard drive storage for scanned images.
- **Import** – Obtain software and/or services from system vendor to import images into Cherry Lan system.

Project Specifications – US Imaging

- **Pickup & Return** – US Imaging will pickup film from Underground Security with our own bonded and insured drivers. Film will be returned once the entire project is complete.
- **Transportation Procedure** – We will utilize our own driver and our own vehicle to transport the original rolls of microfilm. A manifest of the contents of each roll will be created and verified as each roll is loaded into a box. A copy of the manifest will be signed by both parties. The box will be sealed. Our driver will transport the film directly to our conversion center in Saginaw, Michigan. The truck will be locked at all times. The return trip will be completed in the same manner. All drivers are experienced, have passed safety tests and we perform financial and criminal background checks on all drivers.
- **Storage Procedure** - The box which contains the rolls will be assigned a unique barcode label. The boxes location will be tracked in our facility during inspection, scanning, editing, rescanning and return delivery. The film will remain in a climate controlled facility at all times while in our possession.
- **Inspection** – Each roll will be inspected for splices and consistent density throughout each roll. An electronic densitometer will be utilized at each splice to obtain the exact grayscale of each section of film. Exact grayscale readings will be utilized to determine the optimum scanner settings for each section of film. Microfilm will be cleaned, if necessary, to minimize the amount of dust particles on the film prior to scanning. Splices will be replaced if necessary.
- **Scanning** – Each microfilm image will be scanned at 300 dpi and saved as black and white group IV TIFF image and a grayscale JPEG image. Each TIFF image will be logically named by a corresponding 4 digit Book and 4 digit Page #. (example: Book 1234 Page 1 = 12340001.001.tif, Page 2 = 12340001.002, etc.)
- **Image Cleanup** - All images will be automatically deskewed and manually cropped for optimum image quality and file compression.
- **Excess Border Removal** – Some microfilm contains camera backgrounds, shadows, lines and excess white and gray borders. These excess items can be removed to leave just the original document the way it was intended to be recorded. **NOTE: Libers 476 through 486 DO NOT required Excess Border Removal**

- **Editing** – Every TIFF image will be visually inspected at full size for sequential order, missing pages, duplicate pages, "A" pages and image quality. Particular attention is given to the party names, legal description, document numbers, signatures and time date stamps during this process. If any part of the image is illegible it will be added to a rescan report.
- **Rescan Report** – We can provide you with an Excel spreadsheet that identifies the liber and page number of every image that requires rescanning. This report will also describe why the image was rescanned: too light, too dark, blurred, missing or Poor Quality Film. This report will also identify A pages.
- **Rescans** – Images from the rescan report will be rescanned and adjustments to contrast are made to provide optimum legibility. Our Microfilm contains 256 shades of gray and TIFF images are simply black and white, rescanning images is critical to obtain the most legible images possible. Unfortunately, poor quality microfilm images will appear as poor quality TIFF images. If documents had been refilmed, spliced onto the beginning or end or a roll of film, we will scan the retakes and replace the original images on the roll of film at the rescan rate. The investment for retakes is \$.40 per image. Sample rolls can be scanned at no charge to determine retake percentages.
- **Indexing/Formatting** – Images will be logically named by a 4 digit liber and a 4 digit page and will match the liber and page number of the original images. (example: Book 1234 Page 1 = 12340001.001.tif, Page 2 = 12340001.002, etc.)
- **Media** – Three sets of DVD's will be created for the TIFF images, 1 set to Otsego County, 1 set to Underground Security and 1 set will be stored at US Imaging. Two sets of DVD's will be created for the JPEG images, 1 will be shipped to Underground Security and 1 will be stored at US Imaging.
- **JPEG Images** - JPEG images with 256 shades of gray can be saved and stored at US Imaging for backup. If you would like any black and white TIFF images adjusted at anytime in the future, we can do so and e-mail you the corrected image without having to physically rescan the film. Image enhancement is \$30.00/hour.
- **Shipments** – DVDs will be returned via UPS as the project is completed.
- **Timeframe** – The project will begin in January 2007 and will be completed by the end of March 2007.

Liber 338	-	Liber 699	=	362 Libers
362 Libers	@	1000 Images Per Liber	=	362,000 Images
362,000 Images	@	4% Images Require Rescanning	=	14,480 Images
362,000 Images	@	70000 Images Per DVD	=	6 DVD's
362,000 Images	@	\$0.01 Per Image for Scanning & Film Inspection	=	\$3,620.00
362,000 Images	@	\$0.02 Per Image for Editing & Reporting	=	\$7,240.00
351,000 Images	@	\$0.02 Per Image for Excess Border Removal	=	\$7,020.00
14,480 Rescans	@	\$0.40 Per Rescanned Image	=	\$5,792.00
362,000 Images	@	\$0.01 Per Image for Stapling & Checking for Sync	=	\$3,620.00
362,000 Images	@	\$0.01 Per Image for Grayscale Capture & DVD's	=	\$3,620.00
77 DVD's	@	\$20.00 Per DVD @ 2 Sets per JPEG DVD	=	\$3,080.00
6 DVD's	@	\$20.00 Per DVD @ 3 Sets per TIFF DVD	=	<u>\$360.00</u>
Total Investment			=	<u>\$34,352.00</u>

The above pricing is an estimate. All invoicing will reflect actual quantities incurred and unit pricing will not change. Invoices will be issued with each shipment and will be determined by the quantity of work actually returned.

US Imaging will not reproduce or distribute Otsego County images and/or indexes to any other entity except Otsego County. US Imaging requires a signed agreement and purchase order be provided prior to any document or film pickup.

Confidential
Otsego County ROD
Scan Libers 338 – 699 from Rollfilm
November 16, 2006
Page 3

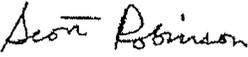
AGREEMENT

Otsego County may designate acceptance of this proposal by signature of a duly authorized officer of the company. Total costs for initial implementation and ongoing costs have been described herein.

In exchange for products and services outlined in this proposal, Otsego County agrees to pay US Imaging the total amount due within 30 days from the date of invoice. Any amounts outstanding will be assessed a finance charge of 1 1/2 percent per month on the unpaid balance.

US Imaging also reserves the right to collect monies owed in the event of nonpayment. This contract is considered the whole contract and will be governed under the laws of the State of Michigan.

Scott Robinson, CDIA+
President & CEO
US Imaging, Inc.
400 S. Franklin
Saginaw, MI 48607

Signature 

Date _____

Accepted by:
Suzy DeFeyter, Otsego County Clerk/Register
225 W. Main Street
Gaylord, MI 49735

Signature: _____

Date: _____

Name: _____

Signature: _____

Date: _____

AN AGREEMENT

between

COUNTY OF OTSEGO
A Body Corporate

At 225 West Main Street, Gaylord, Michigan 49735

and

NORTHERN MICHIGAN COMMUNITY MENTAL HEALTH

An agreement made and entered into this 9th day of September in the year of 2006 by and between County of Otsego, as Lessor and the Northern Michigan Community Mental Health.

1. **Premised Land.** The Lessor hereby agrees to lease to the Lessee 9,678 square feet of the Premises located at 800 Livingston Boulevard commonly known as the Alpine Center in the Township of Livingston, County of Otsego, State of Michigan (the "Premises").

The rooms as designate and show on DEM Project Plan 442-11-90, dated 6/28/91; as follows: Corridor 007, units 008, 010, 011, 012, 013, 014, 015, 017, 018, 019, 020, 021, 022, 023, on the "Ground Floor" and Corridor 101, 111, 135, units 102, 103, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 121, 122, 123, 124, 125, 126, 127, 129, 130, 131, 132, 133, 134, 136 137, 138, 139, 140, 141, 143, 144, 145, 157, 148, 149, 151, 152, 153, 154, 155 on the "1st Floor" of the Main Building of the Alpine Center located at 800 Livingston Blvd., Gaylord, Mi 49735.

2. **Term.** To have and to hold said Premises with all appurtenances for a term of three (3) years beginning on the 1st day of December, 2006 and ending on November 30, 2009.
3. **Holding Over.** The Lessor has the absolute right to withhold its consent to any proposed holdover. If Tenant remains in possession of the Premises after the Termination Date with Landlord's consent, it will occupy the Premises as a holdover tenant on a month-to-month basis. Tenant will be subject to all the terms of this Lease to the extent they can be applied to a month-to-month tenancy.
4. **Rent.** Lessee shall pay Lessor rent in the amount of Ninety-nine Thousand One Hundred Ninety-Nine and 56/100 dollars per year, payable in installments of Eight Thousand Two Hundred Sixty-Six and 63/100 dollars (\$8,266.63) per month, with monthly payments due on the first of each month.
5. **Cancellation.** Upon any willful breach, or upon default of any of the terms and conditions herein, or upon any willful breach or default of any of the terms and

conditions located within all agreements between Lessor and Lessee, this Lease shall be deemed forfeited by Lessee and cancelled by the Lessor; provided, however, that the Lessor shall give notice to Lessee of any breach or default, and Lessee shall have thirty (30) days in which to cure any defaults.

Should this Lease be terminated, cancelled or forfeited due to the willful breach by the Lessee, the Lessee shall peaceably give up to the Lessor the leased Premises in as good a condition as at the beginning of the term hereof, reasonable use and wear thereof and damage by the elements excepted. Improvements, additions or other construction made thereon by the Lessee shall become the property of the Lessor; however, Lessee may remove personal property and trade fixtures which can be removed without causing material damage to the Premises.

6. **Services Provided by Lessor.** The Lessor shall furnish the following services:
 - a. Ground Maintenance including all upkeep and cleaning of grounds as necessary
 - b. Parking Lot including the cleaning and maintenance of parking area, and for snow removal and lawn maintenance in a reasonable and timely manner.
 - c. Landlord shall furnish heat, sewer service and water services, said cost to be prorated among tenants.
 - d. The Landlord shall paint and recarpet the areas specified in the cost estimates included in Attachment A.

7. **Services Provided by the Lessee.** The Lessee shall furnish at its own expense the following services:
 - a. Electric – Tenant shall pay for electric service, with separate meters being provided.
 - b. Janitorial Services – Each tenant shall be responsible for cleaning service of their unit(s).

8. **Other Lessor Obligations.** Upon signing of the Agreement by both parties, the Lessor shall proceed with the replacement of the existing carpeting of the unit, and will have the hallways painted.

9. **Obligation to Maintain and Repair.** The Lessee shall reimburse the Lessor for any repairs to the premises from damage, which exceeds normal wear and tear to be expected from lawful and proper use of the premises and the sole cause of which was the negligent acts or omissions of Lessee's employees.

The Lessee shall notify the Lessor or his agent of the need for any repairs or replacements, which are not the responsibility of the Lessee. The Lessor may enter upon the premises at any reasonable time for the purpose of inspection thereof to determine

whether repairs or replacements are required and for the purpose of making such repairs and replacements.

10. **Alterations**. Tenant shall make no alterations, decorations, additions or improvements in or to demised premises without the written consent of the landlord first had and obtained, except those changes required by Tenant to accommodate necessary equipment to be installed at Tenant's expense.
11. **Signage**. Unit signs shall be limited to the Register located in building lobby.

Tenant will not cause or permit to be placed on the doors, windows, wall, fronts or sides of said building, or said demised premises or elsewhere in said building, any signs, placards, pictures, displays or other reading or advertising matter without the written consent of Landlord; and Tenant agrees that Landlord may, without notice, remove and destroy such signs, placards, pictures, etc. so placed without its consent.
12. **Insurance**. Tenant shall maintain and furnish proof of the following insurance: liability insurance covering both property damage and personal injury with minimum coverage of \$1,000,000 per occurrence, and shall name the Lessor as a named additional insured. Lessee shall furnish a copy of the insurance policy to Lessor on Lessor's request. Landlord agrees to maintain fire insurance on the building of the demised premises, and tenant agrees to maintain fire insurance on the contents of the demised premises.
13. **Mutual Indemnification**. Tenant will indemnify and defend Landlord against all claims for bodily injury or property damage relating to the Premises. The claims covered by this indemnification include all claims for bodily injury or property damage relating to (a) the condition of the Premises; (b) the use or misuse of the Premises or common areas by Tenant or its agents, contractors, or invitees; or (c) any event on the Premises or common areas, whatever the cause. Tenant's indemnification does not extend to liability for damages resulting from the sole or gross negligence of Landlord or for Landlord's intentional misconduct. Landlord will indemnify and defend Tenant against all claims for bodily injury or property damage relating to the common areas of the Property. The claims covered by this indemnification include all claims for bodily injury or property damage relating to (a) the condition of the common areas; (b) the use or misuse of the common areas by Landlord or its agents, contractors, or invitees.
14. **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 Lessor, and upon their heirs, administrators, executors, and assigns of the Lessee.
15. **Transfer of Interest**. It is further agreed that the Lessee shall not assign or transfer this Lease, nor sublet any of the Premises, including the buildings or improvements thereon, except as herein provided, without the written consent and approval of the Lessor, which shall not be unreasonably withheld.

16. **Use of the Premises.** Tenant will not use the Premises in any matter which violates the Building Rules or Applicable Laws. The Building Rules may be amended by Landlord in its sole discretion.
17. **Notices.** Notices required under this Agreement shall be deemed proper if duly sent by United States First Class mail or via facsimile and addressed to the parties at the following address:

LESSOR: Otsego County
Attn: John Burt
County Administrator
225 W. Main Street
Gaylord, MI 49735

LESSEE: Northern Michigan Community Mental Health
Attn: Alexis Kaczynski
One MacDonald Drive, Suite A
Petoskey, MI 49770

18. **Entire Agreement.** This Agreement represents the entire and integrated agreement between the Lessor and the Lessee superseding all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended only by written instrument signed by both the Lessor and the Lessee. Nothing contained in this Agreement, nor the performance of the parties hereunder, shall inure to the benefits of any third party.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed as of the _____ Day of _____, 2006.

LESSOR:
OTSEGO COUNTY
BY: _____

Its: _____

LESSEE:
**NORTHERN MICHIGAN COMMUNITY
MENTAL HEALTH**
BY: _____

Its: _____

Attachment A



KISS CARPET

#1 in Customer Service
www.kisscarpet.com

7152 U.S. 131
Marcelona, Michigan 49659
(231) 587-9450
(800) 352-5936
Fax (231) 587-0364
OPEN 7 DAYS

S DATE 11-8-06
 O L NAME CLAYTON'S COMMUNITY MENTAL HEALTH S NAME w/ADDITIONAL ROOMS
 D ADDRESS 800 WIMBOSTON BLVD P ADDRESS POURED ON (SIDE, NICK, ALICE, KATHA)
 T CITY CLAYTON STATE MI ZIP 49735 T O CITY _____ STATE _____ ZIP _____
 H # 732-16792 W # _____ Cell # _____ Fax # _____

SALESMAN	MEASURED BY	EMAIL ADDRESS	REPEAT CUST.	INSTALLATION DATE
<u>CHERYL</u>	<u>HEATH</u>			
AREAS TO BE INSTALLED			QTY	PRICE
<u>CARPET</u>		<u>Stati - Tuft 3</u>		
<u>NAME Haul-out</u>	<u>12x472</u>	<u>5664 sq ft</u>		<u>14259.80</u>
<u>CARPET WALL LABOR</u>	<u>8544 TREASURE CHEST</u>			
<u>GLUEMUN LABOR</u>	<u>(NICKS OFFICE & ALICE & KATHA)</u>	<u>70 sq ft</u>		<u>49.00</u>
<u>Blue Jute Rip & Haul</u>		<u>5664 sq ft</u>		<u>2831.50</u>
		<u>5664 sq ft</u>		<u>906.24</u>
<u>Standard Adhesive</u>	<u>17-4 gallon pails</u>			<u>543.83</u>
<u>COVERBASE (BURKE MOWER/black)</u>	<u>10360 LNFT</u>			<u>569.80</u>
<u>COVERBASE LABOR</u>	<u>1036 LNFT</u>			<u>466.20</u>
<u>COVERBASE ADHESIVE</u>	<u>11 TUBES</u>			<u>43.89</u>
<u>21 LNFT TRACK W/INSERT (BLACK)</u>				<u>42.00</u>
<u>3 LNFT CLAMP W/PIN (SILVER)</u>				<u>0</u>
<u>FURNITURE</u>	<u>FRIV to 31 ROOMS</u>			<u>1085.00</u>
<u>* CUSTOMERS MOVING ELECTRONICS + EMPTYING BOOKCASES *</u>				
<u>* PAINTERS TO REMOVE COVERBASE</u>				

PLEASE READ & SIGN

Thank you for your recent purchase. Because you are a valued customer, we would like to install your flooring with a minimum disruption to your normal daily routine.
 However, our installers are not licensed plumbers, electricians, or carpenters. We are not responsible for chips, dents, or conditions of existing moldings, doors, jams, or fixtures. Seller is not responsible for cutting doors. Seller is not responsible for customer measurements or for manufacturer or shipper delays. Any unforeseen structural additions upon installation may change the current amount due on this invoice. Also as in accordance with Federal Truth-in Lending Laws, interest will be computed at 2% per month on all accounts past 90 days. Liens will be filed after 60 days.

All workmanship is guaranteed for 1 year.

"ANYTHING NOT SPECIFICALLY IDENTIFIED IN THIS PROPOSAL IS NOT INCLUDED!"

SUB TOTAL	
TAX	
TOTAL	<u>20797.34</u>
DEPOSIT	
BALANCE	

Room#	Room Name	L	W	SIZE	COST	NOTES
201	N Restroom	7	16			
202	Linda & Deb	16	18			
203	Sue P & Karen	16	13			
204	Andrea	12	24			
205	Conf Rm B ✓	20	15			
	Conf Rm B Restroom	5	16			
206	Sue B & Christine	16	19			
207	Alison & Holly	16	18			
208	Conf Rm A	18	25			
210	Copy Room ✓	11	8			
211	Renee <i>Separate</i>	10	11			
212	Renee Restroom	3.5	9			
213	Center Restroom	5.5	6			
214	Jennifer ✓	16	12			
215	Anita & contract	16	17			
216	Margaret	8.5 6.5	13 8.5			
217	Kitchen	16	21			
218	Kitchen Restroom	4.5	7.5			
219	Mary Beth	15	15			
220	Mens Restroom	11	8			
221	Edith	11	9			
222	Patty	11	13			
223	Susan S	11	13			
224	Don	11	11			
225	Bobbi & Katy ✓	16	9			
226	Craig	16	10			
227	Yvonne	16	15			
228	Janelle & Nancy ✓	16	12			
230	Bob	16	13			
231	Lynn ✓	17	17			
232	Monica	16	15			
		30	10			
	Lobby ✓	39	7.25			
		7	16			
	N Hallway ✓	49	5.5			

ADD-ON ROOMS 11/6/06
JOE
NICK
ALICE & KATHY

Andrea -
I got this bid
Clarified on
Friday night.
See below -

TO: NORTH COUNTRY COMMUNITY MENTAL HEALTH
ATTENTION: MONICA

FROM: STANLEY PROFESSIONAL PAINTING

DATE: SEPTEMBER 7, 2006

RE: PAINTING AND DRYWALL REPAIR PROPOSAL

Drywall repair 1st floor	# 1360.00
Drywall repair 2nd floor	# 1920.00
Painting GAW + MI	# 7357.00
Painting DD	# 8835.00
	<hr/>
	#19472.00 Total Bid

PROPOSAL

STANLEY PROFESSIONAL PAINTING

Interior / Exterior
Commercial / Residential
Wood Finishing
Wallpapering



Licensed & Insured

7681 Larkspur Dr. Mancelona, Michigan 49659
Phone: (231) 585-6342

Customer Name: North Country Community Mental Health Date: 3/31/06

Address: 300 Livingston Blvd. Suite B
2nd Floor
Hayward, MI 49735

Address Where Work Is To Be Performed: Same

Phone Number: (989) 732-6292

Job Description

Price includes:

2 coats, paint

Caulk where necessary

Paint 51 doors, 2 coats - no trim

Price includes labor and materials \$8,835.00

If we remove vinyl baseboard - \$300.00 extra

** See attachment for itemized list of rooms for services to be performed*

Any alterations or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate.

Terms of Payment: 50% Down, Balance upon completion

Acceptance of Proposal

Date of Acceptance _____

Signature _____

Respectfully submitted by

David R Stanley

ESTIMATE GOOD FOR 30 DAYS

PROPOSAL

STANLEY PROFESSIONAL PAINTING

Interior / Exterior
Commercial / Residential
Wood Finishing
Wallpapering



Licensed & Insured

7881 Larkspur Dr. Manalona, Michigan 49669
Phone: (231) 585-8342

North Country Community Mental Health

Customer Name

Date **September 7, 2006**

800 Livingston Blvd

Address

2nd Floor Suite B
Address Where Work Is To Be Performed

Gaylord, MI 49735

(989) 732-6292

Phone Number

Fax: (989) 732-0780

Job Description

Interior

Drywall repair to be added to original bid of 3/31/06

\$1920.00

Price includes material and labor

Any alterations or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate.

Acceptance of Proposal

Date of Acceptance _____

Signature _____

Respectfully submitted by

David K Stanley

ESTIMATE GOOD FOR 30 DAYS

PROPOSAL

STANLEY PROFESSIONAL PAINTING

Interior / Exterior
Commercial / Residential
Wood Finishing
Wallpapering



Licensed & Insured

7681 Larkspur Dr. Manvelona, Michigan 49659
Phone: (231) 685-6342

North Country Community Mental Health

Customer Name

Date September 7, 2006

800 Livingston Blvd.

Address

Same

Address Where Work Is To Be Performed

Gaylord, MI 49735

(989) 732-6282

Phone Number

Fax: (989) 732-0780

Job Description

Interior

Drywall repair 1st Floor

\$1360.00

Price includes material and labor

Any alterations or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate.

Acceptance of Proposal

Date of Acceptance _____

Signature _____

Respectfully submitted by

Edward Stanley

ESTIMATE GOOD FOR 30 DAYS

PROPOSAL

STANLEY PROFESSIONAL PAINTING

Interior / Exterior
Commercial / Residential
Wood Finishing
Wallpapering



Licensed & Insured

7681 Larkspur Dr. Manassas, Michigan 49659
Phone: (231) 585-6342

North Country Community Mental Health

Customer Name

Date **September 7, 2006**

800 Livingston Blvd.

Address

Same

Address Where Work is To Be Performed

Gaylord, MI 49735

(989) 732-6292

Phone Number

Fax: **(989) 732-0780**

Job Description

Interior

2 coats paint on walls

Caulk where necessary

Paint doors & trim, 2 coats

\$7357.00

Price includes material and labor

Any alterations or deviation from above specifications involving extra costs will be executed only upon written order, and will become an extra charge over and above the estimate.

Acceptance of Proposal

Date of Acceptance _____

Signature _____

Respectfully submitted by

David A. Stanley

ESTIMATE GOOD FOR 30 DAYS

AGREEMENT

Agreement Number MI112006OTSEGO COUNTY01

THIS AGREEMENT is made by and between OTSEGO COUNTY (Hereinafter THE AGENCY) and GOVERNMENT PAYMENT SERVICE, INC. (Hereinafter GPS) Wherein GPS and THE AGENCY agree as follows:

1. **SYSTEM DESCRIPTIONS.** GPS has developed a service for the purpose of processing payments by credit or debit card for Cash Bail, Fines and Costs, Restitution, Taxes and Other Fees for THE AGENCY. GPS is a cash facilitator and not a bail bond company. The Cash Bail, Fines and Costs, Restitution, Taxes and Other Fees received by THE AGENCY is money belonging to the Cardholder and is not GPS money. The GPS System will provide the service from a remote location 24 hours per day/seven days per week. The person wanting to pay Cash Bail, Fines and Costs, Restitution, Taxes and Other Fees to THE AGENCY by credit or debit card may do so by calling the GPS office for instructions or by accessing the GPS website.

GPS will charge the Payee a fee for the Service as outlined in Attachments "A" and/or "B" attached hereto and made a part hereof.

GPS agrees to provide the Service described herein, pay the necessary telephone service costs and all training costs in accordance with the terms and conditions of this Agreement.
2. **AUTHORIZATION TO BEGIN.** THE AGENCY grants GPS authorization to begin a remote pay service, as outlined in this Agreement for a period of one (1) year, beginning on the 1st day of December, 2006, and ending on November 30, 2007. THE AGENCY further agrees to direct anyone wishing to pay Cash Bail, Fines and Costs, Restitution, Taxes and Other Fees by credit or debit card, of the GPS telephone number or website address and allow GPS to place signage at the location describing the Services, subject to approval by THE AGENCY, which approval shall not be unreasonably withheld.
3. **REPRESENTATION OF THE PARTIES.** GPS represents that it is qualified by training and experience to perform the Services as outlined in this Agreement.
4. **COMPENSATION FOR GPS.** GPS shall not be entitled to any compensation with respect to the Service other than that set forth in Attachments "A" and/or "B" which is paid by the Payee and not THE AGENCY. It is hereby agreed and understood that there are no fees paid by THE AGENCY to GPS.
5. **COSTS.** GPS shall provide toll free telephone numbers for all communications between THE AGENCY and GPS and between the Payee and GPS. GPS will provide complete training for THE AGENCY at no cost to THE AGENCY.
6. **STATE AND FEDERAL TAXES.** THE AGENCY shall not be responsible for paying any state or federal taxes on GPS's behalf.
7. **RECONCILIATION.** GPS will send a reconciliation report to THE AGENCY each business day for all transactions completed the previous business day(s). After the report is agreed to, THE AGENCY will review and approve the reconciliation report and send it back to GPS. The agreed upon amount will be forwarded directly to THE AGENCY or THE AGENCY account within two business days after GPS receives the approved reconciliation report.
8. **INDEPENDENT CONTRACTOR.** GPS shall perform all the Services under this Agreement as an independent contractor and not as an employee of THE AGENCY. GPS understands and acknowledges that it shall not be entitled to any of the benefits of an AGENCY employee. THE AGENCY has the right to rely and does rely upon the expertise of GPS to perform the Services in a skillful and professional manner. GPS agrees to perform the Services in such a manner.
9. **RESPONSIBILITIES OF THE AGENCY.** THE AGENCY shall provide a fax number and the equipment to receive transaction documents. THE AGENCY will follow the GPS procedures for all transactions.

10. **CONFIDENTIALITY AND NONDISCLOSURE.** GPS agrees that any information or data obtained, documents produced, or any other material which is required by law or regulation, will be kept confidential and shall not be disclosed without the prior written approval of **THE AGENCY** or as required by law or regulation.

11. **NOTICES.** Any notice or consent required or permitted to be given under this Agreement shall be given to the respective parties in writing, by first class mail or by facsimile delivered to:

THE AGENCY:

Mr. John Burt, County Administrator
Otsego County
225 West Main Street
Gaylord, MI 49735
Fax #: (989) 731-7529

GPS:

Ms. Debby Conrad, VP-Director of Marketing
Government Payment Service, Inc.
5555 West 73rd Street
Indianapolis, IN 46268
Fax #: (317) 876-9757

or at such other address or to such other person that the parties may from time to time designate. Notices and consents under this section, which are sent by mail, shall be deemed to be received five (5) days following their deposit in the U.S. mail. Notices and consents under this section, which are sent by facsimile, shall be deemed to be received when such facsimile is transmitted to the facsimile number specified in this section and a confirmation of such facsimile has been received by the sender.

12. **EXCLUSIVE AGREEMENT.** **THE AGENCY** agrees that **GPS** will be its only provider for this type of service during and for the term of this agreement.

13. **TERMINATION.** **THE AGENCY** may terminate this Agreement at any time if **THE AGENCY** determines that **GPS** is unable or unwilling to provide the Services described in this Agreement or **GPS** fails to promptly correct any problems with the remote pay program after notice from **THE AGENCY**. **THE AGENCY** may also terminate this Agreement without cause if **THE AGENCY** discontinues this type of program.

14. **MICHIGAN LAW.** This Agreement shall be governed by the laws of the State of Michigan. Any litigation regarding this Agreement or its content shall be filed in Otsego County, Michigan, if in State Court, or in the appropriate District, if in Federal Court.

Agreement between: **OTSEGO COUNTY** and **GOVERNMENT PAYMENT SERVICE, INC.** dated November 20, 2006.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the date executed by **THE AGENCY**.

Reviewed and Approved:

John M. Burt, County Administrator
Otsego County

Elaine D. Bolle, CEO
Government Payment Service, Inc.

Date: _____

Date: _____

ATTACHMENT "A"
Agreement Number MI112006OTSEGO COUNTY01

**GPS Transaction Payment Fee Schedule
FOR CASH BAIL**

<u>CHARGE AMOUNT</u>	<u>SERVICE FEE</u>
\$1.00 - \$200.00	\$20.00
\$200.01 - \$300.00	\$30.00
\$300.01 - \$400.00	\$40.00
\$400.01 - \$500.00	\$50.00
\$500.01 - \$750.00	\$75.00
\$750.01 - \$1,000.00	\$95.00
\$1,000.01 - \$1,500.00	\$110.00
\$1,500.01 - \$1,750.00	\$125.00
\$1,750.01 - \$2,000.00	\$145.00
\$2,000.01 - AND UP	8%

RECONCILIATION

TIME LINE FOR RECONCILIATION OF PAYMENTS

GPS will send a reconciliation report to **THE AGENCY** each business day for all transactions completed the previous business day(s). After the report is agreed to, **THE AGENCY** will review and approve the reconciliation report and send it back to **GPS**. The agreed upon amount will be forwarded directly to **THE AGENCY** or **THE AGENCY** account within two business days after **GPS** receives the approved reconciliation report.

ATTACHMENT "B"
Agreement Number MI112006OTSEGO COUNTY01

GPS Transaction Payment Fee Schedule
FOR FINES, COSTS, RESTITUTION, TAXES & OTHER FEES

<u>CHARGE AMOUNT</u>	<u>SERVICE FEE</u>
ALL	5%

Payments Made Via the Internet

<u>CHARGE AMOUNT</u>	<u>SERVICE FEE</u>
ALL	3-1/2%

RECONCILIATION

TIME LINE FOR RECONCILIATION OF PAYMENTS

GPS will send a reconciliation report to THE AGENCY each business day for all transactions completed the previous business day(s). After the report is agreed to, THE AGENCY will review and approve the reconciliation report and send it back to GPS. The agreed upon amount will be forwarded directly to THE AGENCY or THE AGENCY account within two business days after GPS receives the approved reconciliation report.

At-Will Employment

Otsego County employees serve at the will of the County. The County issues personnel policies and this handbook to acquaint employees with the benefits, philosophies, procedures and policies of the County. The language in this handbook is not intended to create, nor is it to be construed to constitute, a contract between the County and any of its employees for either employment or the providing of any benefit.

The County Board of Commissioners reserves the right to alter, modify, amend, or discontinue any policy and benefit in any manner, at any time. In addition, both the County and its employees retain the right to terminate the employment relationship at any time, for any reason, with or without cause or notice.

Nothing contained in any document published by the County shall in any way modify the above provisions nor can these terms be modified in any way by any oral or written representations other than an action taken by the Board of Commissioners.

Approved by the Board of Commissioners on _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

FUND/DEPARTMENT: Land Use Services

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE

Account Number			Decrease	Increase
2490050	-400001	-Budgeted use of fund bal	\$	\$6,275.00 9,705 MC
-	-	-	\$	\$
-	-	-	\$	\$
-	-	-	\$	\$
Total			\$	\$6,275.00 9,705 MC

EXPENDITURE

Account Number			Increase	Decrease
249E371	-726050	-Supplies/Rep+maint	\$3,575.00	\$
249E371	-703070	-Overtime	\$ 500.00	\$
249E371	-704500	-Unemployment	\$ 200.00	\$
249E371	-801020	-Professional	\$2,000.00 5430.00	\$
-	-	-	\$	\$
-	-	-	\$	\$
Total			\$6,275.00 9,705-	\$


 Department Head Signature

11/16/06
 Date

Finance Department	
Entered:	
By:	

Administrator's Signature

Date

Board Approval Date (if necessary)

Budget Adjustment #

Posting Number



**OTSEGO COUNTY
BUDGET AMENDMENT**

Pg 1 of 8

FUND/DEPARTMENT: Clerical Union Budget Amendment

General, Animal Control, Land Use, & Admin Funds

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE *Animal Control*

Account Number	Decrease	Increase
-	\$	\$
-	\$	\$
-	\$	\$
-	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
<i>21ZE430-703030 - Hourly wages</i>	\$ 475.00	\$
<i>" - 704200 - Soc. Sec. taxes</i>	\$ 37.00	\$
<i>" - 704300 - Retirement</i>	\$ 125.00	\$
<i>" - 930980 - Sterilization</i>	\$	\$ 637.00
-	\$	\$
-	\$	\$
Total	\$ 637.00	\$ 637.00

Rachel Brown
Department Head Signature

11/13/06
Date

Finance Department
Entered:
By:

[Signature]
Administrator's Signature

11/13/06
Date

Board Approval Date (if necessary)

Budget Adjustment #

Posting Number



**OTSEGO COUNTY
BUDGET AMENDMENT**

PG 2 of 8

FUND/DEPARTMENT: Clerical Union Budget Amendment

General, Animal Control, Land Use, & Admin Funds

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE

Land Use Services

Account Number	Decrease	Increase
2490050 - 400001 - Fund Bal Use	\$	\$ 680.00
-	\$	\$
-	\$	\$
-	\$	\$
Total	\$	\$ 680.00

EXPENDITURE

Account Number	Increase	Decrease
249E371 - 703050 - Hourly Wages	\$ 517.00	\$
" - 704200 - Soc Sec taxes	\$ 40.00	\$
" - 704300 - Retirement	\$ 123.00	\$
-	\$	\$
-	\$	\$
-	\$	\$
Total	\$ 680.00	\$

Department Head Signature

Date

Finance Department	
Entered:	
By:	

[Signature]

11/13/06

Administrator's Signature

Date

Board Approval Date (if necessary)

Budget Adjustment #

Posting Number



**OTSEGO COUNTY
BUDGET AMENDMENT**

Pg 3 of 8

FUND/DEPARTMENT: Clerical Union Budget Amendment

General, Animal Control, Land Use, & Admin Funds

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE *Admin Services*

Account Number	Decrease	Increase
-	\$	\$
-	\$	\$
-	\$	\$
-	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
<i>645E201-703030 - Hourly wages</i>	\$ <i>301.00</i>	\$
<i>" - 704200 - SocSec taxes</i>	\$ <i>23.00</i>	\$
<i>" - 704300 - Retirement</i>	\$ <i>64.00</i>	\$
<i>" - 930450 - Shipping+Mail</i>	\$ <i>1,200.00</i>	\$
<i>" - 930600 - Membr+Dues</i>	\$ <i>155-</i>	\$
<i>" - 704110 - Hospitalization</i>	\$	\$ <i>1,743.00</i>
Total	\$ <i>1,743.00</i>	\$ <i>1,743.00</i>

Department Head Signature _____

Date _____

[Signature]
Administrator's Signature _____

11/13/06
Date _____

Finance Department	
Entered:	
By:	

Board Approval Date (if necessary) _____

Budget Adjustment # _____

Posting Number _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

PG 5 of 8

FUND/DEPARTMENT: Clerical Union Budget Amendment

General, Animal Control, Land Use, & Admin Funds

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE

General - Equalization

Account Number	Decrease	Increase
- -	\$	\$
- -	\$	\$
- -	\$	\$
- -	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
101E257 - 703030 - Hourly Wages	\$ 819.00	\$
" - 704200 - Soc Sec Taxes	\$ 63.00	\$
" - 704300 - Retirement	\$ 187.00	\$
" - 726000 - Supplies	\$	\$ 1,069.00
- -	\$	\$
- -	\$	\$
Total	\$ 1,069.00	\$ 1,069.00

Department Head Signature

Date

Jh Burt
Administrator's Signature

11/12/06
Date

Finance Department
Entered:
By:

Board Approval Date (if necessary)

Budget Adjustment #

Posting Number



**OTSEGO COUNTY
BUDGET AMENDMENT**

PG 6 of 8

FUND/DEPARTMENT: Clerical Union Budget Amendment

General, Animal Control, Land Use, & Admin Funds

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE *General - MSU Extension*

Account Number	Decrease	Increase
-	\$	\$
-	\$	\$
-	\$	\$
-	\$	\$
-	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
<i>101E261-703030 - Hourly wages</i>	\$ 236.00	\$
<i>" - 704200 - Soc Sec Taxes</i>	\$ 18.00	\$
<i>" - 704300 - Retirement</i>	\$ 60.00	\$
<i>" - 930500 - Travel</i>	\$	\$ 314.00
-	\$	\$
-	\$	\$
Total	\$ 314.00	\$ 314.00

Department Head Signature _____

Date _____

Finance Department	
Entered:	
By:	

[Signature]
Administrator's Signature _____

11/13/06
Date _____

Board Approval Date (if necessary) _____

Budget Adjustment # _____

Posting Number _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

PG 7 of 8

FUND/DEPARTMENT: Clerical Union Budget Amendment

General, Animal Control, Land Use, & Admin Funds

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE

General - Prosecutor

Account Number	Decrease	Increase
- -	\$	\$
- -	\$	\$
- -	\$	\$
- -	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
<i>101E267-703030 - Hourly wages</i>	\$ <i>977.00</i>	\$
<i>" - 704200 - Soc Sec taxes</i>	\$ <i>75.00</i>	\$
<i>" - 704300 - Retirement</i>	\$ <i>240.00</i>	\$
<i>" - 704110 - Hospitalization</i>	\$	\$ <i>1,292.00</i>
- -	\$	\$
- -	\$	\$
Total	\$ <i>1,292.00</i>	\$ <i>1,292.00</i>

Department Head Signature _____

Date _____

Finance Department	
Entered:	
By:	

JM BA
Administrator's Signature _____

11/13/06
Date _____

Board Approval Date (if necessary) _____

Budget Adjustment # _____

Posting Number _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

PG 8 of 8

FUND/DEPARTMENT: Clerical Union Budget Amendment

General, Animal Control, Land Use, & Admin Funds

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE

General - Treasurer

Account Number	Decrease	Increase
- -	\$	\$
- -	\$	\$
- -	\$	\$
- -	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
101E253 - 703030 - Hourly wages	\$ 241.00	\$
" - 704200 - Soc Sec Taxes	\$ 19.00	\$
" - 704300 - Retirement	\$ 60.00	\$
" - 920400 - Rept+ Maint.	\$	\$ 320.00
516E253 - 703030 - Hourly wages	\$ 292.00	\$
" - 704200 - Soc Sec Taxes	\$ 23.00	\$
Total " 704300 Retirement	\$ 64.00	\$

TOTALS 726000 supplies

699.00

399.00
699.00

Department Head Signature

Date

Administrator's Signature

Date

Board Approval Date (if necessary)

Budget Adjustment #

Posting Number

[Handwritten Signature]

11/13/06

Finance Department
Entered:
By:

Attachment (1)

**OTSEGO COUNTY
BUDGET AMENDMENT**

As provided for in the Uniform Budgeting and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Treasurer are hereby authorized to record the following adjustments to the budget.

FUND: General Capital Improvement Special Revenue Debt Service

REVENUE

Account Number	Decrease	Increase
	\$	\$
	\$	\$
	\$	\$
	\$	\$
Total	\$	\$

EXPENDITURE TRANSFER TO COVER FUEL EXPENSES FOR PATROL FLEET

Account Number	Increase	Decrease
101E301-704110 HOSPITALIZATION	\$	\$ 10,000.00
	\$	\$
101E301-9306600 GASOLINE	\$ 10,000.00	\$
	\$	\$
	\$	\$
	\$	\$
Total	\$ 10,000.00	\$ 10,000.00

James D. McBride
 Manager's Signature Sheriff James D McBride

11/07/2006
 Date

 Administrator's Signature

 Date

Finance Committee Approval Date (if necessary) _____

Filing date _____

 Treasurer's Signature

B.A. Number _____

Posting Number _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

Pg 1 of 3

FUND/DEPARTMENT: JAIL

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE

Account Number	Decrease	Increase
- -	\$	\$
- -	\$	\$
- -	\$	\$
- -	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
101E351 - 703060 - Part-Time	\$	\$ 19,743.03
" - 703070 - Overtime	\$ 2,000.00	\$
- 704300 - Retirement	\$ 1,500.00	\$
- 704500 - Unemployment	\$ 130.00	\$
- 726000 - Supplies - General	\$ 80.00	\$
- 920520 - Rental - equip.	\$ 1,500.00	\$
Total	\$	\$

[Signature]
Department Head Signature

11-22-06
Date

Finance Department
Entered:
By:

Administrator's Signature

Date

Board Approval Date (if necessary)

Budget Adjustment #

Posting Number



**OTSEGO COUNTY
BUDGET AMENDMENT**

PG 2 of 3

FUND/DEPARTMENT: JAIL

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE

Account Number	Decrease	Increase
- -	\$	\$
- -	\$	\$
- -	\$	\$
- -	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
101E351 - 930700 - Room & Board	\$ 16,000.00	\$
- 930470 - Inmate Health	\$ 13,100.00	\$
- 726015 - Supplies - Clothing Bedding	\$ 1,000.00	\$
- 940010 - Outside Contracts	\$	\$ 1,500.00
- 930210 - Telephone	\$	\$ 2,600.00
- 920410 - Sve. Contracts	\$	\$ 3,600.00
Total	\$	\$

Department Head Signature _____

Date _____

Administrator's Signature _____

Date _____

Board Approval Date (if necessary) _____

Budget Adjustment # _____

Finance Department	
Entered:	_____
By:	_____

Posting Number _____



**OTSEGO COUNTY
BUDGET AMENDMENT**

Pg 3 of 3

FUND/DEPARTMENT: JAIL

As provided for in the Uniform Budget and Accounting Act of 1978, as amended, and consistent with Otsego County Policy, the Administrator and Finance Director are hereby authorized to record the following adjustments to the budget.

Fund Type: General Special Revenue Debt Service Capital Project Business-Type (Enterprise or Internal Svc)

REVENUE

Account Number	Decrease	Increase
- -	\$	\$
- -	\$	\$
- -	\$	\$
- -	\$	\$
Total	\$	\$

EXPENDITURE

Account Number	Increase	Decrease
101E351-920400 - Rept+maint	\$	\$ 3,000.00
- 801020 - Professional	\$	\$ 800.00
- 726030 - Supplies-Kitchen	\$	\$ 500.00
- 726025 - Supplies-Janitorial	\$	\$ 1,000.00
- 703080 - Holiday Pay	\$	\$ 2,566.97
- -	\$	\$
Total	\$ 35,310.00	\$ 35,310.00

Department Head Signature _____

Date _____

Administrator's Signature _____

Date _____

Finance Department	
Entered:	
By:	

Board Approval Date (if necessary) _____

Budget Adjustment # _____

Posting Number _____

RESOLUTION NO. OCR 06-54
AUTHORIZING RESOLUTION
OTSEGO COUNTY BOARD OF COMMISSIONERS
November 28th, 2006

WHEREAS, the County of Otsego is interested in the continuing effort to rehabilitate housing conditions for its low income residents; and

WHEREAS, The County has demonstrated a need for this assistance with data outlined in the application; and

WHEREAS, The County intends to meet this need by submission of an application to Michigan State Housing Authority (MSHDA) 2007 Housing Resource Fund (HRF) County Allocation Community Development Block Grant and by leveraging with USDA, Rural Development, MSHDA Property Improvement Program (PIP), Northeast Michigan Community Service Agency (NEMCSA) Weatherization Program and local Department of Human Services (DHS) Emergency Services Fund thus meeting more needs; and

WHEREAS, The County Board of Commissioners accepts the recommendation of the Housing Committee to apply for \$175,000.

RESOLVED, that the Otsego County Administrator, on behalf of the Otsego County Board of Commissioners, John M. Burt be the Authorized Official to sign and submit said MSHDA's HRF Application and Marlene K. Hopp, Director of the Otsego County Housing Committee be the Agency Administrator to prepare the grant and submit other documents as required; and

Customer Code: _____



**AVFUEL CORPORATION
FIXED BASE OPERATOR
AVIATION FUEL SUPPLY AGREEMENT**

Reference Date: November 20, 2006

Effective Date: December 15, 2006

SUMMARY

This Agreement is between Avfuel Corporation and its affiliates and subsidiaries all of which have principal offices at 47 West Ellsworth Road, Ann Arbor, MI 48108 USA, hereinafter referred to, individually or collectively as "Avfuel", and Gaylord Regional Airport, having its principal office at (Street address only) 1100 Aero Drive, Gaylord MI 49735, hereinafter called "Customer", collectively called "the Parties", and is effective on the Effective Date or, if no Effective Date is specified then on the Reference Date noted above.

THIS IS AN INTEGRATED AGREEMENT CONSISTING OF SEVERAL PARTS, ALL OF WHICH SHALL BE READ TOGETHER AND INTERPRETED AS ONE AGREEMENT. The parts shall include this Summary, the Special Terms and Conditions, and the General Terms and Conditions. In the event of any inconsistencies between the Special Terms and Conditions and the General Terms and Conditions, the Special Terms and Conditions shall govern. Avfuel offers other programs that it believes are of benefit to Customer. Customer chooses to participate in those programs that are checked below and agrees that the applicable provisions of the Special and General Terms and Conditions govern those programs. Additions or deletions to this agreement are governed by the Changes Provision set forth in Section 17 of the General Terms and Conditions.

Applicable Certificates of Insurance are attached hereto, Insurance Company Name _____

- Customer Credit Program
- Brand Program
- AVTRIP Program
- Credit and Charge Cards Acceptance Program
- Contract Fuel Dealer Program
- Avsurance Primary Commercial Insurance Program
- Equipment Lease Agreement
- Addendums: _____
- _____
- _____
- _____

CUSTOMER FEIN: 38-6004882

TYPE OF BUSINESS: _____
(i.e. C-corp, S-corp, Partnership, LLC, Sole Prop, or other)

STATE ID NUMBER:

STATE OF INCORPORATION: _____

FOR AVFUEL CORPORATION:
(for all purposes except Section B of Special Terms and Conditions)

FOR GAYLORD REGIONAL AIRPORT:

By: _____
William B. Light, Vice President, Administration

By: _____
(Signature)

FOR AVTANK CORPORATION:
(for purposes of Section B of Special Terms and Conditions only)

(Print Name)

By: _____
William B. Light, Secretary

Title: _____
(Print Title)

The undersigned hereby guarantee(s) payment and performance of this Agreement by Customer.

By: _____
Signature Name Printed Social Security Number

By: _____
Signature Name Printed Social Security Number

**FIXED BASE OPERATOR
AVIATION FUEL SUPPLY AGREEMENT**

SPECIAL TERMS AND CONDITIONS

CUSTOMER NAME: Gaylord Regional Airport

BILLING ADDRESS: 1100 Aero Drive
(if different than street address) Gaylord, MI 49735

DELIVERY ADDRESS: 1100 Aero Drive
(if different than street address) Gaylord, MI 49735

AIRPORT ID (IATA CODE): KGLR

PRODUCT (s): Jet-A Jet-A with Anti-ice Avgas/100LL Other _____

PAYMENT TERMS: \$50,000 limit, net due 15 days

EQUIPMENT LEASED:

<u>Description</u>	<u>SN or VIN</u>	<u>Lease Rate</u>
_____	_____	_____
_____	_____	_____

CONTRACT FUEL DEALER:

Rate

Airport Flowage Fee: YES NO _____ \$/g (i.e. \$0.03)

Storage Fee: YES NO _____ c/g

Into wing Fee:

<u>Fuel Type</u>	<u>Gallons from/to</u>	<u>Rate</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

OTHER SPECIAL TERMS AND CONDITIONS:

A. The following changes will be made to the Aviation Fuel Supply Agreement, General Terms and Conditions:

2. **Term:** The wording in this section is deleted and replaced with the following: "The initial term of this Agreement is seven (7) years, beginning on the Effective Date specified in the Summary. The term shall be automatically renewed for successive thirty (30) day terms until one Party delivers a Notice to the other Party of its intent to terminate at the end of the then current term. Such notice shall be delivered at least thirty (30) days prior to the expiration of the current term. The term may also be extended pursuant to the terms of Section B.3 of the Aviation Fuel Supply Agreement Special Terms and Conditions."

B. The Customer and Avtank Corporation ("Avtank") agree as follows:

1. **PURCHASE AND SALE.** Subject to the terms and conditions contained herein, Customer agrees to purchase and pay for, and Avtank agrees to sell and deliver to Customer (1) an above-ground, refurbished cabinet and pumping system for use with the Customer's avgas fuel storage system, (2) FuelMaster® Plus credit card reader for self-serve operation to be connected to Customer's avgas fuel storage system, and (3) FBO Manager Fuel Farm Lite® fuel and credit card processing software system (collectively, the "Equipment"), to be installed at the delivery address set forth above (the "Location").

2. **INSTALLATION OF EQUIPMENT.** Avtank shall be responsible for retaining, and shall bear the cost of, qualified contractors to install the Equipment at the Location. In no event shall Avtank or any of its affiliates install any Equipment. Customer shall be solely responsible for arranging for and paying all costs associated with, and Avtank is not providing under this Agreement, any permitting, surveying, site work or engineering, grading, containment, fencing, collision protection, site electrical or lighting required for installation or operation of the Equipment. Customer represents and warrants to Avtank that all necessary permits for the installation and use of the Equipment at the Location have been obtained. Neither Avtank nor any of its affiliates shall be responsible for any violation of environmental laws resulting from the installation or use of the Equipment at the Location.

3. **PRICE AND PAYMENT.** The purchase price for the Equipment shall be paid by the Customer by means of: (a) the fulfillment of the entire term of the Aviation Fuel Supply Agreement ("AFSA") as defined in Section 2 of the AFSA, and (b) payment of a flow fee (the "Flow Fee") equal to \$0.0210 for each gallon of aviation fuel purchased by the Customer from Avfuel Corporation ("Avfuel") and/or distributed through the Customer's Fuel Farm(s), payable in the invoice for each load of fuel delivered by Avfuel to the Customer or under separate invoice. If Customer requests and Avtank agrees to make other capital improvements to the Customer's fuel system prior to the expiration of the Aviation Fuel Supply Agreement, Avtank reserves the right to amend the flow fee assessed under this Section B.3 to account for costs incurred for such purposes. If the Aviation Fuel Supply Agreement is terminated prior to the expiration of the initial seven (7) year term, or if Customer ceases to operate a fueling facility at the Location, or Customer's fuel purchases drop materially below the amounts purchased in 2005 from Avfuel, Avtank reserves the right to require, and if so required Customer shall make, payment of the purchase price for the Equipment in cash in an amount equal to \$53,800 multiplied by the percentage of the seven (7) year term remaining. If Avtank requires a lump sum payment pursuant to the immediately preceding sentence, the Flow Fee shall terminate.

4. **TAXES AND OTHER CHARGES.** Customer shall pay all taxes, assessments, fees and other charges (the "Taxes") which are imposed by any federal, state or local governmental authority or by any airport authority (collectively, the "Taxing Authorities") based upon the delivery, sale or operation of the Equipment, excepting Taxes which are imposed upon Avtank based upon its net income or revenues. Customer shall pay all costs associated with permitting, site work or engineering, transportation of Equipment to the Location from the point of manufacture, grading, containment, fencing, collision protection, site electrical and lighting (the "Other Charges") which are imposed by any third party (the "Third Parties") in connection with the delivery, sale or operation of the Equipment.

5. **LIMITED WARRANTY.** Avtank warrants that the Equipment delivered pursuant to this Agreement will, at the time of delivery, conform to the specifications set forth in Section B.1 of this Agreement and be in compliance with all applicable laws. **THE LIMITED WARRANTY SET FORTH IN THIS SECTION B.5 IS THE ONLY WARRANTY GIVEN BY AVTANK REGARDING THE EQUIPMENT AND THE INSTALLATION THEREOF. AVTANK DISCLAIMS ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.** If Customer determines or suspects non-conformity, then Customer must notify Avtank immediately. If it is determined that any Equipment is non-conforming, Avtank's sole obligation shall be, at Avtank's sole election, either (1) replacement of the non-conforming Equipment with conforming Equipment, (2) repair of the non-conforming Equipment to eliminate the non-conformity, or (3) removal of the non-conforming Equipment and refund of the amount paid for such Equipment. Avtank will be reasonably prompt in its actions hereunder. No claims may be made by Customer unless made within ninety (90) days after the date that Avtank notifies Customer that the installation is substantially complete.

AVIATION FUEL SUPPLY AGREEMENT

GENERAL TERMS AND CONDITIONS

1. **PURCHASE AND SALE:** Subject to the terms and conditions contained herein, throughout the entire term of this Agreement, Avfuel agrees to sell and deliver, and Customer agrees to purchase and pay for, the Customer's entire requirements for Products and all products to be handled, stored, used, distributed or sold by Customer or its affiliates at each airport represented by the Delivery Addresses listed in the Special Terms and Conditions. If, at any time during the term of the AFSA Customer, or any entity controlled by or in common control with Customer, operates any other facility at the Airport that sells aviation fuels (a "Supplemental FBO"), then Customer will, or will cause such other entity to, enter into a new AVIATION FUEL SUPPLY AGREEMENT with Avfuel (on the same terms and for the same duration as the AFSA) for the supply of 100% of the requirements of the Supplemental FBO for aviation fuel. Customer represents and warrants that all products and services purchased hereunder will be for the purpose of conducting its business. Avfuel has relied on this representation in entering into this Agreement.

2. **TERM:** The initial term of this Agreement is five (5) years, beginning on the Effective Date specified in the Summary. The term shall be automatically renewed for successive three (3) year terms until one Party delivers a Notice to the other Party of its intent to terminate at the end of the then current term. Such notice shall be delivered at least ninety (90) but not more than one hundred twenty (120) days prior to the expiration of the current term.

3. PRICE AND PAYMENT:

3.1. Unless otherwise agreed in writing the price per gallon for Products delivered to Customer shall be as established by Avfuel from time to time in its discretion based upon market and other conditions that it deems pertinent based on the date and time that Avfuel loads the Products into delivery trucks. Prices shall be F.O.B. the Delivery Address(es) and shall be exclusive of all taxes, fees, surcharges and other charges.

3.2. Unless otherwise agreed in writing or otherwise required by the state law where the Product is delivered, the standard unit of measurement of quantities of Products purchased and delivered shall be the Net Gallon. The term "Net Gallon" shall mean the volumetric measurement, in U.S. gallons, of a Product actually loaded and measured at the point of shipment, adjusted to the number of U.S. gallons that would have been loaded at a temperature of sixty degrees Fahrenheit (60°F). The conversion ratio shall be from the current American Society for Testing and Materials ("ASTM") IP Petroleum Measurement Tables.

3.3. Unless otherwise agreed in writing by the Parties, Customer agrees to pay in advance by bank wire transfer for all Products purchased hereunder. Failure to pay in advance shall be construed as a credit transaction and shall be subject to the Terms and Conditions of the Customer Credit Program set forth below.

4. TAXES AND OTHER CHARGES:

4.1. Customer shall pay all taxes, assessments, fees and other charges (the "Taxes") which are imposed by any federal, state or local governmental agency or by any airport authority (collectively, the "Taxing Authorities") based upon the delivery, sale, importation, inspection, storage or use of the Products purchased by or leased to Customer, excepting Taxes which are imposed upon Avfuel based upon its net income or revenues.

4.2. If the Taxing Authorities collect the Taxes directly from Customer, then Customer shall pay all such Taxes on or before their due dates. If the Taxing Authorities require that Avfuel collect the Taxes from Customer at the time of sale, Avfuel will use its best efforts to include all such Taxes in its invoices to Customer and Customer shall pay all such invoices on or before their due dates. (In its invoices, Avfuel will identify those Taxes as separate items.) If Customer is entitled to an exemption from any Taxes which the Taxing Authorities require be collected by Avfuel, then, in order to permit Avfuel not to collect those Taxes, Customer shall obtain and provide to Avfuel current and valid exemption certificates relating to those Taxes. If, subsequent to the issuance of any invoice, the Taxing Authorities or Avfuel advise Customer of additional Taxes payable with respect to the Products covered by that invoice, then Customer shall promptly pay such additional Taxes.

4.3. CUSTOMER ACKNOWLEDGES THAT IT REMAINS SOLELY RESPONSIBLE FOR ALL SUCH TAXES, AND WILL INDEMNIFY AVFUEL AGAINST ANY LIABILITY

FOR SUCH TAXES EVEN IF AVFUEL FAILS FOR ANY REASON TO INCLUDE ANY SUCH TAXES IN ITS INVOICES TO CUSTOMER. HOWEVER, AVFUEL WILL INDEMNIFY CUSTOMER AGAINST ANY LATE CHARGES, PENALTIES OR OTHER CHARGES THAT CUSTOMER INCURS IF AVFUEL'S FAILURE TO INCLUDE ANY TAXES IN ITS INVOICE IS DUE TO GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

4.4. Customer's obligation to indemnify Avfuel shall extend to any Taxes which are assessable against Customer as a result of any subsequent change or reinterpretation of the laws relating to those Taxes or any exemptions from those Taxes and to any Taxes for which an exemption had been claimed but which are subsequently assessed by Taxing Authorities based upon its rejection of the claimed exemption for the Products or Customer.

5. DELIVERY:

5.1. Deliveries shall be made to the Delivery Address(es) listed in the Special Terms and Conditions. Avfuel or its authorized shipping agent ("Shipping Agent") shall be provided access to Customer's storage facilities during normal business hours, or at such other times as may be approved by Customer's authorized representative, for the purpose of unloading the Products. Unless otherwise agreed in writing, the minimum delivery of Jet A fuel will be a full standard transport tanker load which is equivalent to 7,500 Gross Gallons, and the minimum delivery for Avgas fuel will be a full standard transport tanker load which is equivalent to 8,500 Gross Gallons. Avfuel reserves the right to impose a surcharge for deliveries of less than a full tanker load.

5.2. Delivery shall be into tanks designated by Customer. Such designation shall be construed as a warranty that the designated tanks and containment areas have been inspected and approved by the appropriate regulatory agencies. Customer shall be responsible for all unloading operations including the placement of hoses into the proper storage tanks. Customer shall specifically designate and gauge the available capacity of the tanks into which the Product shall be unloaded, and shall bear all responsibility of spillage or contamination of the Product after it leaves the end of any properly operating hose provided by Avfuel or its Shipping Agent. Access to Customer's tanks shall be furnished in such a manner that Avfuel or its Shipping Agent can safely and conveniently reach Customer's storage facility with the hoses available, and Avfuel or its Shipping Agent may refuse to complete any delivery which Avfuel or the Shipping Agent determines, in its sole discretion, cannot be made safely.

5.3. Any claim by Customer of any discrepancy in the quantity of the Product delivered shall be effective only if made by written notice delivered to Avfuel within twenty-four (24) hours after the Product is delivered to Customer. **GIVEN THE NATURE OF THE PRODUCTS, TIME IS OF THE ESSENCE WITH RESPECT TO SUCH CLAIMS AND NO CLAIM SHALL BE PERMITTED OR EFFECTIVE UNLESS DELIVERED WITHIN THE SPECIFIED PERIOD.**

6. **FORCE MAJEURE:** Except as provided below, neither Party shall be responsible for any failure to comply with the terms of this Agreement due to causes beyond its reasonable control for the period the effects of such causes continue. These causes shall include but shall not be restricted to: fire, storm, flood, earthquake, explosion, accident, acts of any local, state or federal authority or agency or of a public enemy, war, rebellion, insurrection, sabotage, epidemic, quarantine restrictions, labor disputes, transportation embargoes or delays, acts of God and unavailability of the Product. For purposes of this Agreement, the term "unavailable" shall mean that Avfuel, for any reason whatsoever, including but not limited to government action, reduced or allocated fuel supplies, lack of transportation or the like, is unable to procure and deliver a specific Product on a commercially reasonable basis within two (2) days of the specific time requested by Customer. In that event, and only to the extent of such unavailability, the Parties hereto shall be relieved of their obligations under the applicable provisions of this Agreement. If and as applicable, Avfuel will comply with any governmental statute or regulation mandating the allocation of available supplies of Products. The provisions of this Section shall not apply to the failure of a Party to pay any monetary amounts when due under this Agreement.

7. LIMITED WARRANTY:

7.1. Avfuel warrants that all products delivered pursuant to this agreement, regardless of whether title transfers at that time, will, at the time of delivery, conform to the then latest revision of following specifications: Aviation Gasoline will conform to the ASTM Specification D910; and Jet Fuel will conform to the ASTM Specification D1655. Avfuel retains the right to revise the applicable specifications upon written notice to Customer.

7.2. **THE LIMITED WARRANTY STATED ABOVE IS THE ONLY WARRANTY GIVEN BY AVFUEL REGARDING THE PRODUCTS. AVFUEL DISCLAIMS ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.**

7.3. Customer shall sample and test each shipment of Product prior to delivery using industry standard test procedures. If Customer determines or suspects non-conformity then Avfuel must be immediately notified, while the Shipping Agent is still present, and the delivery shall not be completed until either Customer accepts the Product, acknowledging conformity, or Avfuel replaces the Product. Customer will permit Avfuel access to Customer's premises and records during normal business hours and upon four (4) hours' telephonic or written notice to Customer for purposes of investigating any claim of non-conformity. If it is determined that the Product is non-conforming, Avfuel's sole obligation shall be either (1) replacement of the non-conforming Product with conforming Product, or (2) removal of the non-conforming Product and cancellation of the invoice for that Product or refund of the amount paid for that Product, as determined by Avfuel. Avfuel will be reasonably prompt in its actions hereunder. **TIME IS OF THE ESSENCE AND ANY FAILURE TO FOLLOW THE ABOVE PROCEDURE SHALL VOID THE LIMITED WARRANTY.**

8. COMPLIANCE WITH LAWS:

8.1. 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 purchase, storage, handling and sale of the Products and all industry standards pertaining thereto, including those that may contain tetraethyl lead or lead alkyl. 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 reserves the right to terminate those portions of this Agreement governing the purchase of a Product if the other Party violates the provisions of this subsection with respect to that Product. In such event, the remaining provisions of this Agreement shall continue in full force and effect.

8.2. 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 sale and distribution of the Products that are the subject of this Agreement.

9. **INDEPENDENT STATUS:** 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.

10. RECIPROCAL INDEMNIFICATION: EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, EACH PARTY (THE "INDEMNIFYING PARTY") AGREES TO INDEMNIFY AND TO HOLD HARMLESS THE OTHER PARTY AND THE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS OF THE OTHER PARTY (THE "INDEMNIFIED PARTIES") FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, LOSSES, LIABILITIES, CAUSES OF ACTION, COSTS OR EXPENSES (INCLUDING ATTORNEY'S FEES) 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

WRONGFUL ACT OR OMISSION OF THE INDEMNIFYING PARTY OR OF ANY OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS OF THE INDEMNIFYING PARTY. ANY AMOUNT PAYABLE BY THE INDEMNIFYING PARTY UNDER THIS SECTION 10 SHALL BE DUE WITHIN TEN (10) DAYS AFTER WRITTEN DEMAND AND ANY SUCH AMOUNT WHICH IS NOT PAID WHEN DUE SHALL BEAR INTEREST FROM THE DUE DATE TO THE DATE OF PAYMENT AT THE RATE OF 16% PER ANNUM (OR, IF LESS, AT THE MAXIMUM RATE OF INTEREST PERMITTED UNDER THE LAWS OF THE STATE IN WHICH THE INDEMNIFYING PARTY HAS ITS PRINCIPAL PLACE OF BUSINESS). WITHOUT LIMITING THE ABOVE PROVISIONS, THE OBLIGATION OF THE INDEMNIFYING PARTY UNDER THIS SECTION 10 SHALL INCLUDE ANY REASONABLE ATTORNEY'S FEES OR OTHER COSTS INCURRED BY THE INDEMNIFIED PARTIES IN ENFORCING THE OBLIGATION OF INDEMNITY UNDER THIS SECTION. EACH PARTY'S OBLIGATION TO INDEMNIFY SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND SHALL REMAIN IN FULL FORCE AND EFFECT UNTIL THE LAPSE OF ALL APPLICABLE STATUTES OF LIMITATIONS OR SIMILAR TIME PERIODS WITHIN WHICH AN ACTION FOR INDEMNITY OR CONTRIBUTION MUST BE BROUGHT.

11. BREACH AND TERMINATION:

11.1. Failure of a Party to comply with the provisions of this Agreement shall constitute a breach of the Agreement by the non-complying Party. Except as otherwise permitted under this Agreement, the non-breaching Party shall provide Notice of that breach to the other Party in the manner set forth in Section 14. The Notice shall specify the alleged breach and the period within which the breach must be cured which, except as provided in Section 11.2, shall be at least ten (10) business days. The Party receiving such Notice shall respond thereto in writing within three (3) business days. If the breach is not cured or the dispute resolved within the period specified in the Notice, the Party claiming breach, by further written Notice, at its election, may affirm this Agreement and initiate appropriate legal actions to require the other Party to remedy that breach or may immediately terminate this Agreement. In either instance, the Party claiming the breach may by appropriate legal proceedings seek and secure recovery of any damages resulting from that breach.

11.2. The provisions of Section 11.1 to the contrary notwithstanding, if the breach is of the Customer's obligation to make a payment to Avfuel when due, then Avfuel may declare all amounts owed to it immediately due and payable, and Avfuel, in addition to all other rights hereunder, may suspend its performance or terminate this Agreement forthwith and without giving Customer Notice or the opportunity to cure. Avfuel shall also have the right to offset any amount that Avfuel then or thereafter owes to Customer, to any guarantor of the Customer's obligations under this Agreement or to any affiliate entity that owns, is owned by or is under common ownership with the Customer against any amounts owed by Customer to Avfuel. Customer warrants that it is authorized to make this commitment with respect to amounts owed by Avfuel to such guarantors and affiliate entities. In addition, Avfuel or its agents or employees may, without further notice and without legal process enter onto any facility of Customer for the purpose of repossessing any item of Equipment or any personal property of any description owned by Avfuel, and Customer shall use its best efforts to assist Avfuel in such repossession. Pursuit of the foregoing shall not preclude pursuit of any other remedies provided by law, nor constitute a waiver of any amount due by Customer hereunder or of any damages accruing by reason of the breach of any of the terms or conditions contained herein. Aviation fuels on board repossessed Equipment will become the property of Avfuel, and credited against any amount owed Avfuel by Customer at that day's market price.

11.3. The Party claiming a breach may waive that breach by giving Notice to the other party in the manner set forth in Section 14 below. The waiver of any

breach shall not constitute a waiver of any subsequent breach of the same or any other term or condition. Any failure of either Party to enforce rights or seek remedies arising out of any breach by the other Party shall not prejudice or affect the rights and remedies of that Party in the event of any subsequent breach by the other Party.

11.4. Except as set forth in Section 11.2 above, any dispute that arises under this Agreement, pursuant to Section 11.1 above or otherwise, shall be submitted to a senior officer or other person having the authority to negotiate the resolution of such disputes for each Party. Those persons shall attempt, in good faith, to resolve the dispute, and no action in law or equity shall lie until the process set forth herein shall have run its course. If the dispute involves the payment of money, all undisputed amounts shall be paid when due regardless of whether the undisputed amount is only part of an invoice.

11.5. The exercise of a Party's right to terminate the Agreement as aforesaid or to seek any other remedy shall not be deemed an election of remedies and shall be without prejudice to the Terminating Party's rights to seek any other remedy afforded to it by this Agreement or by law or equity. In any action related to the enforcement or breach of this Agreement, the prevailing Party shall have the right to recover its reasonable attorney's fees and costs actually incurred.

12. INSURANCE:

12.1. Prior to the Effective Date stated in the Summary, Customer shall submit proof that it holds, or, if it does not so hold, shall secure, at its cost, the following insurance and furnish Avfuel a Certificate of Insurance evidencing: (1) aviation general liability insurance, including products and completed operations liability, with limits not less than one million dollars (\$1,000,000.00) combined single limit for bodily injury and property damage; and (2) automobile liability insurance with limits not less than one million dollars (\$1,000,000.00) combined single limit for bodily injury and property damage; (3) workers compensation covering all employees of Customer and (4) physical damage coverage covering the value of any leased Equipment. Insurance policies shall be issued by insurance companies acceptable to Avfuel (whose acceptance may not be unreasonably withheld), shall name Avfuel, or its subsidiary, as applicable, as an additional insured and/or loss payee, and shall provide for at least thirty (30) days' written notice to Avfuel prior to cancellation or modification. Customer shall maintain such policies in full force and effect throughout the term of this Agreement. Customer may, if it chooses, apply for this insurance through Avfuel's subsidiary, Avsurance Corporation.

12.2. Avfuel currently maintains an excess aviation products liability policy under which its qualified customers may be named as additional insureds. For so long as Avfuel elects to continue to maintain that insurance and permit customers to be additional insureds, upon the written request of Customer and to the extent that Customer qualifies for such coverage, Customer shall be added as an additional insured under that policy upon payment by Customer of any additional premium required by Avfuel's insurer for such coverage. If Avfuel no longer offers this product liability insurance program, or the product liability insurance is no longer free to Customer, Avfuel will notify Customer with thirty (30) days' written notice of this change or Avfuel's intent to terminate the product liability insurance program.

13. **ASSIGNMENT:** Customer shall not assign its rights or delegate its obligations under this Agreement, in whole or in part, unless with the prior written consent of Avfuel, which consent will not be unreasonably withheld. Any transfer of a controlling interest in Customer shall be deemed an assignment requiring the consent of Avfuel.

14. **NOTICES:** All notices permitted or required under this Agreement shall be in writing. Notices by facsimile shall be deemed "delivered" on the date of confirmed transmission, without error, to the fax number designated in the Summary. Notices by mail shall be deemed delivered three (3) business days following the date deposited with the United States Postal Service, certified mail, return receipt requested, postage prepaid, addressed to the Party at the address of the principal office. Notices sent by overnight courier shall be effective on the next business day following deposit with the overnight courier for overnight delivery with the delivery fee prepaid, addressed to the Party at the address of the principal office, and with instructions to obtain the signature of the addressee.

15. **GOVERNING LAW:** This Agreement shall be construed as having been made in the State of Michigan, and all rights and obligations under it shall be governed by the laws of the State of Michigan without regard to its Conflict of Laws provisions. All litigation arising hereunder shall be brought in the State of Michigan, and exclusive jurisdiction shall lie with the courts located in Washtenaw County, Michigan and each Party hereby submits to the exclusive

jurisdiction of those courts.

16. **SEVERABILITY:** In the event that any court of competent jurisdiction shall determine that any provision of this Agreement shall be unenforceable, then that provision shall be deemed to be null and void and the remaining provisions hereof shall remain in full force and effect.

17. **ENTIRE AGREEMENT TERMS:** This Agreement, including all of its parts, sets forth the entire agreement between Avfuel and Customer with respect to the subject matter hereof and there are no other terms or conditions, oral or written, express or implied, relating to or otherwise affecting such subject matter. No term or condition of this Agreement shall be changed, supplemented, canceled or waived unless in writing and signed by both Avfuel and Customer. If Avfuel and Customer have, prior to the effective date, been parties to any other agreement relating directly to the sale of Products to Customer (a "Prior Agreement"), such Prior Agreement, except for guarantees, shall be superseded as of the effective date and all rights and obligations between Avfuel and Customer with respect to the supply of Products from and after the effective date shall be governed by the terms of this Agreement. The terms and conditions of such Prior Agreement shall, however, remain in full force and effect with respect to rights and obligations relating to the supply of Products prior to the effective date and nothing contained in this Agreement shall be construed as terminating or otherwise affecting any such rights or obligations.

CUSTOMER CREDIT PROGRAM:

IN THE EVENT THAT AVFUEL CHOOSES TO DELIVER GOODS OR SERVICES THAT HAVE NOT BEEN PAID FOR IN FULL BY WIRE TRANSFER PRIOR TO THE TIME OF THAT DELIVERY, AVFUEL SHALL BE CONSTRUED AS HAVING EXTENDED CREDIT TO CUSTOMER AND THE FOLLOWING TERMS AND CONDITIONS SHALL APPLY.

1. Credit terms may not be used during any period in which the Customer is in default of this Agreement. In addition to the provisions of Section 11 of the General Terms and Conditions, for the specific purposes of this Customer Credit Program, the Customer will be in default if (1) any amount charged to the Customer's account is not paid in accordance with the agreed upon payment terms; (2) if and for so long as the Customer is in breach of any of its obligations under any Agreement with Avfuel or any of its subsidiaries; or (3) if Avfuel determines that there is any misrepresentation or breach of a warranty by the Customer under or with respect to any Agreement with Avfuel. Use of credit is limited to the amount specified in the Special Terms and Conditions of this Agreement. No purchase may be made which would cause the total amount owed under this Agreement to exceed that credit limit.

2. Upon termination of this Agreement, Customer shall have no right to credit terms for new purchases, but all obligations incurred prior to the termination, as well as all remedies provided for default or breach, shall survive. If Avfuel, intentionally or unintentionally, permits any purchases on credit after termination, then the terms of this Agreement shall pertain to those charges.

3. Subject to the approval by Avfuel at its offices in Michigan, all purchases by Customer for which Avfuel does not receive payment at or prior to the time of delivery to Customer shall be charged as principal to Customer's account. Avfuel may require Customer or Customer's authorized representative, as a condition of delivery or at any time thereafter, to give receipt for all deliveries in writing and to sign sales slips and other documents in Avfuel's opinion necessary to record or substantiate any or all transactions resulting in a charge to Customer's account.

4. Avfuel shall invoice Customer for all Fuel products delivered to Customer or to Customer's designees. Invoices shall include the selling price of the product delivered, taxes, duties, and any other charges as separate line items. Invoices are payable on or before that due date specified in the invoice. Unless otherwise determined by Avfuel in its discretion, all payments received will be applied by Avfuel (subject to collection of remittance if other than cash) first to interest, if any, accrued on Customer's account, then to the unpaid principal balance owed upon such account in direct calendar order of due date. Customer agrees to pay to Avfuel upon demand a fee of \$50.00 for each check, draft or other form of remittance that is not honored by the drawee upon due presentment by Avfuel or its agents. From time to time, Avfuel may send Customer a statement of Customer's account for Customer's information showing in summary, or in such detail as Avfuel may deem appropriate, current transactions Avfuel posted to Customer's account to date thereof, the amount of interest (if any) which has accrued, and the balance owing thereon; however, the failure of Avfuel to furnish any such statement shall not relieve Customer of the obligation to make payment against invoices when due in accordance with the other terms of this Agreement. Customer agrees to review all statements promptly after receipt, and shall have

fifteen (15) days from date of receipt to notify Avfuel in writing of any discrepancies. If no such notice is given, such statement shall be conclusively presumed correct.

5. In the event that any invoice is not paid in full by the due date stated therein, the unpaid amount of the invoice shall bear interest until paid at the lower of 18% per annum or the highest rate which may lawfully be contracted for, charged and received according to applicable law for business purchases at the time of delivery. Notwithstanding anything in this Agreement to the contrary, Customer shall never be obligated to pay and Avfuel shall never be entitled to receive any interest upon any indebtedness incurred by Customer pursuant hereto in excess of the maximum contract rate of interest authorized by applicable law for business purposes, and it is expressly understood and agreed that if Avfuel shall render any charge for the payment of usurious interest, such charge shall be automatically and unconditionally reduced to the maximum non-usurious amount, and the excess, if paid, shall be applied as credit to Customer's account. If such application results in a credit balance in Customer's said account, such balance shall be refunded to Customer or applied to the next due amount in such account as Customer shall direct.

6. If, at any time during the term of this Agreement, the financial responsibility of Customer becomes impaired or unsatisfactory to Avfuel, in the sole judgment of Avfuel, Avfuel, effective immediately upon delivery of Notice to Customer, may require the advance cash payment or other security satisfactory to Avfuel for any shipment of fuel and shipment may be withheld until such payment or security is received.

7. For the purpose of securing a payment of all indebtedness of Customer to Avfuel from time to time outstanding (including, without limitation, any amounts due under this Agreement or any other agreement or instrument between Avfuel and the Customer) grants to Avfuel a purchase money security interest in and to all of Customer's inventory of aviation fuels and other products of similar type or description as are purchased from Avfuel, and all accounts, contract rights and other proceeds from such inventory, whether now owned or hereafter acquired. Customer warrants that the purchase money security interest granted herein is and shall remain superior to any other security interests granted by Customer to any other entity. For so long as this Agreement is in effect, all of Customer's inventory of aviation fuels will be presumed to be merchandise purchased pursuant to the Agreement and subject to the purchase money security interest granted by this Agreement. Customer hereby authorizes Avfuel to sign and record all financing statements and other instruments which Avfuel may reasonably require in order to create, perfect and continue in force said security interest and first priority lien. Customer authorizes Avfuel to file a true copy of this Agreement in lieu of any financial statement. The rights and obligations of Avfuel and the Customer under and with respect to the security interest and first priority lien created by this Section shall be interpreted in accordance with the Uniform Commercial Code in effect in the state of the Billing Address of the Customer as stated in the Summary.

8. THIS PARAGRAPH APPLIES ONLY TO THOSE PERSONS WHO'S SIGNATURES APPEAR AS GUARANTORS ON THE SIGNATURE PAGE OF THIS AGREEMENT. PERSONS SIGNING AS GUARANTORS SHALL BE CONSTRUED AS PERSONAL GUARANTORS REGARDLESS OF ANY OTHER DESIGNATION. In consideration of the extension of credit by Avfuel to Customer, each of the parties signing as Guarantors on the signature page of this Agreement agrees to guarantee the prompt payment of all amounts owed to Avfuel by Customer whether such amounts are existing at the time that this Guarantee is signed or are incurred at any time during the life of this Guarantee. Avfuel may demand payment from a Guarantor under this Guarantee at any time that it deems itself insecure with respect to any amount owed by Customer. Each Guarantor hereby waives notice of acceptance of this Guarantee by Avfuel, notice of default by Customer, and all other notices that the Guarantor may otherwise be entitled to receive. Failure on the part of Avfuel to give any such notice shall not discharge any obligation of any Guarantor under this Guarantee. Each Guarantor also hereby waives any requirement that Avfuel proceed against Customer before making a demand for payment hereunder, and agrees to pay all attorney's fees and court costs incurred by Avfuel in the enforcement of its rights hereunder. This is a continuing Guarantee and shall not be revoked by the death of any individual party or by the dissolution of any corporate party or any other entity that is a party hereto, and shall remain in force until Avfuel receives written notice to extend no further credit to Customer on the security of this Guarantee. Such notice shall not discharge any obligation of any Guarantor as to any then existing indebtedness or obligation of Customer arising out of a transaction that took place prior to the receipt of such notice, regardless of the time for determination, maturity, or performance thereof. Each Guarantor agrees to provide periodic statements of financial condition to Avfuel upon request. This Guarantee shall survive the termination of this Agreement until all amounts due Avfuel under this Agreement have been paid in full.

BRAND PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S BRAND PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited and has elected to participate in Avfuel's Brand Program. Accordingly, Avfuel hereby licenses Customer as a dealer ("Branded Dealer") to use Avfuel's Brand Names and Trademarks subject to the provisions set forth herein. All trade names, trademarks, service marks, logos and other commercial symbols that Avfuel either owns or has the right to sub-license (the "Intellectual Property") shall be and remain the property of Avfuel. Further all signs, decals, graphic materials and other tangible property supplied by Avfuel which bear or are imprinted with any of the Intellectual Property or are used to imprint or display the same (the "Branded Property") and all replacements thereof shall be and remain the property of Avfuel. Any use of the Intellectual Property or the Branded Property by the Customer otherwise than as expressly authorized by this Agreement is hereby expressly prohibited. Upon termination of Customer's participation in the Brand Program Customer shall, at its expense, de-install and return to Avfuel all salvageable signage and return or destroy all other items that identify Customer as a branded Avfuel dealer.

2. Avfuel agrees to supply to Customer, for Customer's use and possession during the term of this Agreement such signs, decals, credit card imprints and other graphic materials as Avfuel deems necessary in order to identify Customer as an Avfuel Branded Dealer. Unless otherwise agreed in writing, Avfuel will bear all costs of such materials. Customer agrees to honor all Avfuel charge cards, subject to the provisions of the Credit and Charge Card Acceptance Program set forth below, during Customer's participation in Avfuel's Brand Program.

3. Customer shall be responsible for obtaining all necessary permits and for installation of all Branded Property including (without limitation) all electrical and other connections, and shall make sure that all installations shall comply with all brand specifications and with all applicable state and local codes, ordinances and governmental regulations (if any). Unless otherwise agreed in writing, the Customer will bear all costs of installation. No signage shall be installed so as to become a fixture upon real property. The use of color schemes and Intellectual Property painted on facilities and equipment owned by Customer or others and used in the conduct of Customer's business, shall comply with particular and displayed specifications. Customer shall be responsible for maintenance and upkeep of Branded Property and Paint-ons, and agrees to keep and maintain the same at all times in a good, clean, safe, operative and first class condition, neatly painted and displayed. If any of such installation or maintenance is performed by Avfuel, Customer agrees to remit upon demand all costs thereof, including (without limitation) all expenditures for labor, materials and the like. If any Branded Property is damaged, lost or destroyed while in Customer's use, possession or control, or if Customer shall deliver any of such property to anyone not herein expressly authorized to use or possess it, Customer agrees to repair, recover or replace such property forthwith, at Customer's expense.

4. Customer shall keep all Branded Property insured at all times against loss, theft, fire or physical damage, up to the full replacement cost thereof, designating Avfuel as the loss payee. The Customer shall pay when due all personal property taxes and assessments assessed against the Branded Property and shall neither suffer nor permit any lien or encumbrance or any attachment against any of such Branded Property.

5. Customer agrees that it will not use or display any Branded Property or Intellectual Property: (1) in a manner which causes or is calculated to cause confusion among patrons of Customer or the general public as to the type, characteristics, quality, manufacture or sponsorship of any fuel or other product which Customer offers for sale; (2) for the purpose of selling or promoting the sale of aviation fuel other than fuels supplied by Avfuel; or (3) for the purpose of selling or offering for sale any product which has been diluted or adulterated, whether intentionally or not. Customer further agrees that it will at all times maintain its facilities and conduct its operations in compliance with those standards and procedures established from time to time by Avfuel and applicable to aviation fixed base operators displaying any of the Intellectual Property. Such standards and procedures may include (without limitation) image quality standards for the brand displayed, quality control and refueling procedures for products bearing such brand, and standards for services offered and facilities utilized by Customer in conjunction with such products. Avfuel may, but shall be under no obligation to conduct periodic tests and inspections as it may deem appropriate to evaluate compliance with this Agreement. Copies of all test and inspection reports shall be given to Customer. It is expressly understood that the purpose of any such tests or inspections is to assist Customer in complying with the standards set for a Branded Dealer. By performing such tests or inspections

Avfuel assumes no responsibility for Customer's failure to comply with the Standards or for safety hazards, latent or patent, created or maintained by Customer. If Avfuel determines, in its sole discretion, that Customer is or has violated this provision, then Avfuel may suspend or terminate Customer's right to use Avfuel's Brands and or Trademarks.

Avfuel reserves the right to amend, suspend, or terminate the program at any time. Customer may withdraw from this Program upon 60 days Notice to Avfuel. See Section 14 of the General Terms and Conditions regarding Notices. Termination of Customer's participation in this Program shall not be construed as terminating the Agreement or Customer's participation in another Program.

AVTRIP PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S AVTRIP PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited and has elected to participate in Avfuel's AVTRIP Program a marketing incentive program intended to reward pilots who choose to purchase fuel and services from participating Avfuel dealers.
2. Customer will:
 - 2.1. Use its best efforts to enroll pilots in the AVTRIP Program;
 - 2.2. Award all participating pilots two AVTRIP Points for each U.S. gallon of fuel purchased from Customer and, at Customer's discretion, a minimum of one point for each U.S. dollar, or part thereof, spent by a participating pilot for parts and services at Customer's facilities;
 - 2.3. Pay to Avfuel, by deduction from amounts due to Customer or in cash if no amounts are due Customer, \$.01 for each AVTRIP point awarded;
 - 2.4. Maintain complete records of all points earned by participating pilots;
 - 2.5. Train its personnel in the operation of the AVTRIP Program, and prominently post written materials relating to AVTRIP in and around its facilities in order to encourage pilot participation in the program; and
 - 2.6. Promptly send all enrollments to Avfuel so that the enrollee can be added to the list of AVTRIP participants. Not less frequently than every two weeks, Customer will send Avfuel copies of all records pertaining to points earned by pilots that have not been previously reported via POS transmission, and remit to Avfuel all sums due hereunder.
3. Avfuel will:
 - 3.1. Act as the administrator of the AVTRIP Program; and
 - 3.2. Include the AVTRIP Program in its local, national and international marketing and advertising efforts as it deems appropriate to encourage pilot participation in the AVTRIP Program.
4. The price charged to any pilot for fuel, parts or service shall not be based on whether a pilot participates in the AVTRIP Program.
5. Avfuel reserves the right to amend, suspend, or terminate the AVTRIP Program at any time. Avfuel also reserves the right to terminate any individual's participation at any time for misuse of the AVTRIP card, violation of the rules of the program, or inactivity for a period of 12 consecutive months. Customer may withdraw from this Program upon 90 days Notice to Avfuel. See Section 14 of the General Terms and Conditions regarding Notices. Termination of Customer's participation in this Program shall not be construed as terminating the Agreement or Customer's participation in any other program.

CREDIT AND CHARGE CARD ACCEPTANCE PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S CREDIT CARD ACCEPTANCE PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited and has elected to participate in Avfuel's Credit and Charge Card Acceptance Program. Accordingly, Customer may honor any valid credit or charge card listed in the most current Accounts Receivable Discounts Schedule ("ARDS") issued by Avfuel ("Acceptable Cards") for the purchase of products and services if the purchase has been specifically approved

by Avfuel. Avfuel's ARDS is subject to change upon five (5) days prior written notice.

2. Customer may also choose to participate in the Avfuel Honor All Program. The Honor All Program permits Customer to extend credit to any customer that has a billing address within the United States or its Territories or Canada and that presents a valid credit card from any nationally recognized oil company on Avfuel's approved Honor All list if: (1) Customer does not have a merchant agreement with the issuer of the card or any processor of such accounts other than Avfuel; and (2) the purchase has been specifically approved by Avfuel. The discount schedule for Honor All transactions will generally be higher than the discounts applied under the ARDS. If Customer chooses to participate in the Honor All program, then all Honor All invoices must contain the current telephone number and current billing address of both the cardholder and the Authorized User, and Customer shall inform the presenter that cardholder will be billed directly by Avfuel and not by the card issuer. Honor All transactions are limited to a total of \$250 for miscellaneous services such as tie downs, catering, aircraft storage, pilot supplies, charts, repairs and other services, and to an aggregate total of \$2,000.00 for a single transaction.

3. Customer shall prepare a voucher for each credit card, charge card or Honor All transaction and shall promptly submit those vouchers to Avfuel. The term "voucher" means a machine imprinted credit card slip or other written record of a credit sale in form acceptable to Avfuel that has been fully completed by Customer manually or electronically by a Point of Sale (POS) machine in accordance with the instructions contained in the then current edition of Avfuel's manual and signed by the Authorized User. If the voucher is prepared manually, the Customer is responsible to make sure that the voucher is complete and legible. The Customer is also responsible for making sure that the card presented is not expired and that the person signing the voucher is an Authorized User. If imprinted and hand written amounts on invoices do not agree the lesser amount shall be presumed to be correct. Customer shall make a manual imprint of all cards electronically processed but requiring that the card number be entered manually, in order to prove that the card was present at the time of sale. "Promptly" means, in the case of POS transmissions, batches should be submitted at least once per day and by 11:00 PM Central Time but in no case any less frequently than once every 72 hours, and in the case of manually prepared vouchers, weekly, but not later than ten days after transaction date. Customer must keep copies of vouchers and summaries for a period of seven (7) years and supply Avfuel with duplicates if requested.

4. Upon receipt from Customer of a properly prepared voucher- together with any necessary summaries thereof on forms prescribed by Avfuel, Avfuel shall remit to Customer or, as Avfuel may elect, credit Customer's fuel purchase account with Avfuel, in an amount equal to the total face amount of all such vouchers less such discounts as applicable according to Avfuel's then current ARDS or the Honor All discount schedule, and any fees for AVTRIP point awards.

5. Customer acknowledges receipt of, and agrees to observe, Avfuel's current instructions for recording and processing credit transactions. Avfuel reserves the right to amend any and all instructions and to add new instructions from time to time, and Customer agrees to be bound by all such amendments and new instructions. Avfuel also reserves the right to issue new or revised forms, POS equipment, software and imprinters from time to time, and to issue instructions regarding their use to be effective upon five (5) days prior written notice.

6. Customer shall be solely liable and responsible for remittance of all taxes to the proper authorities regardless of whether charged to purchaser. Avfuel does not assume responsibility for the payment of any tax applicable to sales or other transactions resulting in credit card accounts receivable and Customer shall defend, indemnify and hold harmless Avfuel from any such claims.

7. Without limiting the generality of other provisions of this Agreement pertaining to charge backs, it is specifically understood and agreed that Avfuel may decline to accept or, if accepted, may subsequently charge back to Customer any voucher:

- 7.1. Where any of the required information is omitted or illegible;
- 7.2. That is imprinted or processed with an expired credit card;
- 7.3. Covering a purchase not authorized by the cardholder or involving fraud or any misuse of a credit card by the purchaser with or without Customer's knowledge;
- 7.4. Covering a transaction that has not been authorized by Avfuel or

does not carry a valid authorization code;

7.5. Covering a transaction or series of related transactions (constituting in the reasonable opinion of Avfuel a single sale transaction) the aggregate face amount of that exceeds any of the single sale limitations to which the parties hereto may agree;

7.6. That becomes the subject of a dispute between Customer and purchaser;

7.7. Where the Authorized User has not received his copy of the voucher;

7.8. For which Customer has received or will receive any payment or reimbursement from any person other than Avfuel;

7.9. Where Customer has granted any right of ownership or security interest to any person other than Avfuel unless the invoice is accompanied by a written waiver of such interest;

7.10. Presented by Customer to Avfuel more than ten (10) days after the transaction date;

7.11. If the transaction occurred after the date of expiration or termination of this Agreement;

7.12. Created by any person other than Customer, or in any transaction other than a transaction in which Customer has sold merchandise or services to a purchaser presenting his credit card for use in payment therefor;

7.13. For Honor All transactions, bearing a billing address for the cardholder or Authorized User that is outside the territorial limits of the United States or the Dominion of Canada;

7.14. Representing Honor All transactions not paid by the cardholder within ninety (90) days after assignment to Avfuel;

7.15. That are charged back to Avfuel by a card issuer for any reason at all; or

7.16. That in any other manner does not conform to this Agreement or with Avfuel's instructions for recording and processing credit card transactions.

8. In the event that a charge back exceeds the credit balance in Customer's fuel purchase account then carried by Avfuel, Customer agrees to pay such amounts within three (3) days after notice that such amounts are due. Upon reimbursement, title to the subject voucher and all indebtedness represented thereby shall pass to Customer. If any funds come into Avfuel's possession for any voucher that has previously been charged back to Customer, Avfuel will promptly credit the full amount thereof to Customer's account. Avfuel's charge back rights and rights of recourse against Customer shall survive the termination of this Agreement.

9. Cash advances may not be charged on any card. Lessons, aircraft rental, charters, and aircraft parts and accessories not incorporated in repairs or mounted upon the aircraft may not be charged under the Honor All program. A single sale to any one purchaser resulting in one or more than one credit card voucher shall be specifically limited to quantities of fuel and lubricants not greater than the useful capacity of the aircraft, and shall only include fuels from stocks delivered by and purchased from Avfuel.

10. From time to time, Avfuel will send Customer a Credit Card Remittance Summary for Customer's information showing in such detail as Avfuel may deem appropriate the transactions and amounts that have been credited to Customer's account or paid to Customer during the period since the last report. The failure of Avfuel to furnish any such Report shall not relieve Customer of any obligations hereunder. Customer agrees to review all such Reports promptly after receipt. In any event, Customer shall be solely responsible for making sure that it has received proper payment for each transaction submitted. Customer shall have forty-five (45) days from the date of a transaction to provide Avfuel Notice that the transaction has not been properly accounted for or that payment has not been received. If no such notice is given, such transaction shall be conclusively presumed to have been settled and closed.

11. Avfuel reserves the right to amend, suspend, or terminate the program at any time. Customer may withdraw from this Program upon 60 days Notice to Avfuel. See Section 14 of the General Terms and Conditions regarding Notices. Termination of Customer's participation in this Program shall not be construed as terminating the Agreement or Customer's participation in any other Program.

CONTRACT FUEL DEALER PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S CONTRACT FUEL DEALER PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited and has elected to participate in Avfuel's Contract Fuel Dealer Program (the "CFD Program"). Accordingly, Customer agrees to sell and deliver to clients who participate in Avfuel's Contract Fuel Program (the "CFCs" or a CFC" as the context may require) aviation fuel supplied by Avfuel and other products and services supplied by the Customer. A CFC is a person or entity that has executed a Contract Fuel User's Agreement with Avfuel or that is specifically authorized in writing, in accordance with authorization procedures established from time to time by Avfuel, to purchase aviation fuel and other products and services. The Customer will secure authorization from Avfuel before completing a sale to a CFC and the failure to obtain such authorization may result in Avfuel's dishonor of the invoice for that sale.

2. Subject to agreement between Customer and Avfuel, Products supplied hereunder shall be supplied from either Avfuel inventory on site or from Customer inventory. If, as a convenience to Customer, Avfuel maintains inventory at Customer's facility then Customer agrees to the following: a) Customer shall measure Avfuel's inventory and reconcile that inventory at least monthly. Reconciliation reports, in a form satisfactory to Avfuel, shall be delivered to Avfuel no later than the 5th day following the end of each month. b) Gains and losses shall be allocated proportionally to the parties sharing the storage facility based on receipts of fuel during the month and losses shall be limited to no more than 1/4% of total receipts for per annum. Book inventory shall be adjusted to coincide with actual inventory each month. c) Unless the Products are contaminated by an act or omission of Dealer, Avfuel will be liable if the Products do not conform to specifications. If the Products are supplied from the Customer's inventory, the Customer will be liable if the Products do not conform to specifications. d) Customer shall maintain Avfuel's inventory level in accordance with Avfuel's guidelines and shall specify when ordering fuel whether that fuel is for Customer's or Avfuel's inventory (which is subject to approval by Avfuel).

3. Under the CFD Program, all aviation fuel delivered by the Customer to a CFC will be deemed sold by Avfuel and will be at the prices and terms independently established between Avfuel and the CFC. If Avfuel maintains an inventory of aviation fuel at the Customer's facilities, then aviation fuel supplied by the Customer to CFCs will be drawn from Avfuel's inventory. If Avfuel does not maintain an inventory of aviation fuel at the Customer's facilities, then aviation fuel supplied to a CFC is drawn from the Customer's inventory and Avfuel will account for that aviation fuel by issuing a credit to the Customer equal to the Customer's cost for that aviation fuel, including applicable taxes, based upon the Customer's cost for the last load of aviation fuel purchased from Avfuel prior to the date of supply to the CFC.

4. The charges for all aviation fuel supplied to the CFC will be payable solely to Avfuel. Avfuel will be responsible for collecting and remitting any taxes imposed thereon by any local, state or federal taxing authority. Avfuel will invoice and collect those charges and taxes from the CFC.

5. In all sales of aviation fuel drawn from Avfuel's inventory, title to that aviation fuel will be retained by Avfuel until the point in time that the aviation fuel enters into the aircraft of the CFC, at which point in time title will pass to the CFC. In all sales of aviation fuel drawn from Customer's inventory, title to that aviation fuel will be retained by the Customer until the point in time that the aviation fuel enters into the aircraft of the CFC, at which point in time title will pass instantaneously first to Avfuel and then to the CFC. The risk of loss or contamination of aviation fuel will be borne at each point in time by the party who or which holds title to that aviation fuel at that point in time. If, while Avfuel holds title, any aviation fuel is lost or contaminated as a result of the acts or omissions of the Customer, then the Customer will be liable to Avfuel for that loss or contamination.

6. If the Customer provides any services or products other than aviation fuel to the CFC for which a fee is charged, such other products and services will be deemed sold by the Customer and will be at the Customer's normally established rates. Such other products may include, without limitation, lubricants, spare parts, food and other amenities. Such other services may include, without limitation, flowage fees, tie-down services, into-wing services, catering services and similar services that expedite deliveries and facilitate arrangements for the CFC. No cash advances will be permitted as "other products or services". The Customer will supply all such other products or services as an independent contractor to the CFC and not as an agent or a subcontractor of Avfuel.

7. All other products and services that are supplied by Customer to CFCs will be provided in accordance with procedures and quality standards that are commercially reasonable and that comply with all legal requirements in the jurisdiction where the Customer's facilities are located. Customer will be solely liable if such other products and services do not conform to such standards, procedures or requirements.

8. The charges for all other products and services supplied by the Customer to the CFC will be payable solely to the Customer. The Customer will be responsible for collecting and remitting any taxes imposed thereon by any local, state or federal taxing authority. Customer may directly invoice and collect such charges from the CFC. Alternatively, at the Customer's option, Customer may assign to Avfuel for collection the account receivable from the CFC for other products and services supplied by the Customer (a "CFC Receivable"). If the Customer assigns a CFC Receivable to Avfuel, then Avfuel will issue a credit to the Customer's account for the amount of that CFC Receivable and Avfuel will thereafter invoice, collect and retain those charges from the CFC.

9. Any fees for any services supplied by the Customer in the delivery of aviation fuel to a CFC, including, without limitation any flowage fees or into-wing fees, will be earned by the Customer only after it has completed delivery of the entire load of aviation fuel into the aircraft of the CFC and title to that aviation fuel has passed to the CFC. Initial into-wing fees are established in the Special Terms and Conditions and Customer may change those fees upon seven (7) days written notice to Avfuel.

10. Customer will generate a written record (a "Ticket") of all aviation fuel supplied to a CFC at the Customer's facility. Each Ticket will include the following information: the CFC's name; the authorization number; pilot's name; aircraft registration number; flight or ID number provided by the CFC if applicable, transaction date(s); and type and quantity of fuel products provided, as measured in U.S. gallons. In addition, if the Customer assigns to Avfuel the CFC Receivable for other products and services supplied by the Customer to the CFC, the Customer will include in the Ticket the type and quantity of such other products or services and the charges payable by the CFC for such other products or services. Any charges for such other products or services must be separately stated and clearly identified as fees charged by the Customer that are separate from and independent of the amounts charged by Avfuel for aviation fuel. The pilot or other responsible representative of the CFC shall sign and be given a copy of the completed Ticket.

11. The Ticket (or all information required to be shown on the Ticket) for each sale to a CFC shall be delivered to Avfuel by POS Transmission or facsimile within twenty-four (24) hours following the completion of that sale. The original Tickets shall be kept on file by Customer for a period of five (5) years from the invoice date and will be sent to Avfuel upon request. Avfuel will from time to time provide Customer with instructions for processing these transactions and may provide the forms for doing so. Avfuel reserves the right to change these procedures upon seven (7) days written notice to Customer.

12. The total amount due with respect to each Ticket shall be paid or credited to Customer's by Avfuel within 10 days following Avfuel's receipt of the Ticket.

13. Except as provided herein, all Tickets will be accepted by Avfuel without recourse. The exceptions are: a) Customer warrants the validity of all charges, and any charge that is disputed by the CFC, correctly or incorrectly, on grounds that the charge is invalid or inaccurate or that the aviation fuel, products or services supplied were unsatisfactory may be charged back to Customer at Avfuel's option; b) charges not previously authorized by Avfuel may be charged back to Customer at Avfuel's option; and c) any Ticket that is incomplete, illegible, or is otherwise not prepared in accordance with Avfuel's processing instructions may be charged back to Customer at Avfuel's option.

14. Avfuel reserves the right to amend, suspend, or terminate the CFD Program at any time. Customer may withdraw from the CFD Program at any time upon 60 days Notice to Avfuel. See Section 14 of the General Terms and Conditions regarding Notices. Termination of Customer's participation in this Program shall not be construed as terminating the Agreement or Customer's participation in any other Program.

AVSURANCE PRIMARY COMMERCIAL INSURANCE PROGRAM:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN THE AVSURANCE PRIMARY COMMERCIAL INSURANCE PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has been invited to, and has elected to, participate in the Avsurance Primary Commercial Insurance Program.

2. Customer agrees to file an application and request for a quote for all insurance policies related to its aviation business. All price quotes from Avsurance contain Avsurance proprietary information, are confidential, and may not be disclosed to any person other than employees and agents of Customer with a bona fide need to have such information and that have signed a non-disclosure agreement that is satisfactory to Avsurance.

3. Customer may accept or reject any quote for an individual policy, and the acceptance of any specific quote shall not be conditioned on the acceptance of any other quote.

4. Upon Customer's acceptance, Avsurance will bind the coverage and have the policy issued in due course.

5. Avfuel reserves the right to amend, suspend, or terminate the program at any time. Termination of this Program shall not be construed as terminating the Agreement or Customer's participation in any other Program.

EQUIPMENT LEASE:

IF CUSTOMER HAS ELECTED TO PARTICIPATE IN AVFUEL'S EQUIPMENT LEASING PROGRAM, THE FOLLOWING WILL APPLY.

1. Customer has elected to participate in Avfuel's Equipment Lease Program. Accordingly, Avfuel, either for its own account or through one of its subsidiaries, agrees to deliver and lease the equipment identified in the Special Terms and Conditions (the "Equipment") at the lease rates shown in the Special Terms and Conditions to Customer for its sole use. All additional equipment or replacement equipment delivered to Customer but not listed in the Special Terms and Conditions shall also constitute Equipment subject to the provisions of this section. For example, Customer may lease POS equipment from Avfuel at the then current lease price. Customer hereby agrees to pay Avfuel in advance the monthly lease payments prorated for any partial month. Avfuel may increase the rent during the term of the Lease upon 30 days written notice. Customer shall be permitted to notify Avfuel within the first 15 days of that notice period of its intention to terminate the lease effective on the date that the increase goes into effect. If Avfuel rescinds the rate increase, the lease shall continue in effect at the then current rates. If it does not rescind the increase, the lease shall expire on the date the increase goes into effect. Unless otherwise agreed, the term of the lease of each item of Equipment (a "Lease") shall correspond to the term of this Agreement.

2. Customer shall inspect the Equipment and shall make a written note as to any defects that are observed. A copy of all such notes shall be faxed to Avfuel within forty eight (48) hours of delivery. Upon termination of a Lease, Customer shall return the Equipment, freight prepaid to Avfuel's place of business in Ann Arbor, Michigan in as good condition as when Customer received it, normal wear and tear accepted. Failure to return the Equipment shall be deemed a breach of this Agreement and Customer will be billed for necessary repairs and the replacement of missing equipment.

3. Avfuel warrants that it has all necessary rights to lease said Equipment to Customer. Further, the parties agree that as between themselves, Avfuel has title to the Equipment and Customer shall keep the Equipment free of liens and shall not do or permit anything to be done that will prejudice the title of Avfuel, or its rights in the Equipment. Each item of Equipment shall bear a legend denoting it as the property of Avfuel and Customer shall not remove or deface that legend under any circumstances. Customer also agrees and understands that Avfuel may file such evidence of its ownership of the equipment as may be necessary in the state where the equipment is located.

AVFUEL MAKES NO OTHER WARRANTY, EXPRESS OR IMPLIED, REGARDING DEFECTS IN MATERIAL, WORKMANSHIP, DESIGN, CAPACITY, MERCHANTABILITY OR FITNESS OF THE EQUIPMENT FOR ANY PURPOSE, OR WHICH EXTEND BEYOND THE DESCRIPTION OF THE EQUIPMENT THAT APPEARS IN THE SPECIAL TERMS AND CONDITIONS.

4. Any of the Equipment that is used to store or transport Products shall be used solely for storing or transporting Products supplied to Customer under this Agreement. The Equipment shall not be moved from the facility to which it was delivered nor operated on any public road without the prior written consent of Avfuel. Customer will comply with all laws, ordinances and regulations

applicable to the possession, operation or use of the Equipment and will demonstrate compliance upon request.

5. The maintenance obligations with regard to the Equipment are as follows.

5.1. Except as set forth in Section 5.2 below, Customer will maintain the Equipment in as good a condition as it was on the day of delivery, normal wear and tear excepted. Customer shall, at its sole expense, provide all preventative maintenance (including but not limited to lubrication, oil and filter changes, etc.), repairs, and replacement parts as are necessary to preserve the Equipment in good operating condition and in compliance and in conformity with all laws, rules, regulation, and industry standards which are applicable to the operation of the Equipment. Customer shall also be responsible for all tire maintenance, repair, and replacement. **CHANGING A TIRE ON A REFUELER TRUCK IS VERY DANGEROUS AND MUST NOT BE ATTEMPTED BY UNTRAINED PERSONNEL. CUSTOMER AGREES THAT IT WILL PERMIT TIRES TO BE CHANGED ONLY BY AN OUTSIDE CONTRACTOR WHO IS PROFESSIONALLY TRAINED TO DO SUCH WORK.** Customer shall keep complete and accurate maintenance records and Avfuel is entitled to inspect the Equipment and the maintenance records at any time during regular business hours. At Avfuel's option, any item of repair or maintenance that would be the responsibility of Customer may be performed by Avfuel and billed back to Customer as additional rent. Customer shall not make any alterations or modifications to the Equipment of any kind including but not limited to painting, mounting of radios or antennas, applying decals or lettering without the prior express written consent of Avfuel.

5.2 Avfuel shall be responsible for the following refueler truck repairs when, in its opinion, repair is necessary: overhauls or replacement of the engine, transmission, differential, or belly valve. Avfuel shall be permitted access to the Equipment at any reasonable time in order to perform the repairs and modifications, which are its obligation hereunder. Repairs and maintenance to be performed by Avfuel shall be completed within a reasonable time after it learns of the need for such repairs. Avfuel assumes no responsibility for loss of use or any other items of ancillary damage, which may be caused by, or result to Customer by reason of the fact that the Equipment becomes inoperable. If any such repair or maintenance is required as the result of intentional conduct, negligence, or failure to perform repair or maintenance on the part of Customer or any of Customer's agents or employees, Customer shall be liable for all costs associated with performing such repairs and/or maintenance.

6. Customer shall be responsible for all Federal, State, and Local taxes, fees, etc. that are assessed on the use or value of the Leased Equipment, including but not limited to, personal property, sales, and use taxes.

7. CUSTOMER AGREES TO INDEMNIFY AND HOLD AVFUEL AND/OR THE OWNER OF THE EQUIPMENT HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, LOSSES, EXPENSES (INCLUDING ATTORNEY'S FEES), OBLIGATIONS AND CAUSES OF ACTION FOR INJURY TO OR DEATH OF ANY AND ALL PERSONS, OR FOR DAMAGE TO OR DESTRUCTION OF ANY OR ALL PROPERTY ARISING OUT OF OR RESULTING FROM THE CONDITION, EXISTENCE, USE OR MAINTENANCE OF THE EQUIPMENT.

DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

MEMORANDUM OF AGREEMENT

Agreement Number DTFAGL-06-A-00005

This agreement is made and entered into by the Otsego County Airport Board, Gaylord, Michigan for the Gaylord Regional Airport, 1100 Aero Drive, Gaylord, MI. 49735, hereinafter referred to as Airport, for itself, its successors and assigns, and the Federal Aviation Administration, hereinafter referred to as the FAA.

WITNESSETH

WHEREAS, the parties listed above have entered into an Airport Improvement Grant Agreement ; and

WHEREAS, the parties listed above have entered into an agreement providing for the construction, operation, and maintenance of FAA owned navigation, communication and weather aids for the support of Air Traffic Operations; and

WHEREAS, the parties consider it desirable to work in cooperation with each other in the technical installation and operation of air navigational aids; and

WHEREAS, both parties agreed the establishment, operation, and maintenance of systems for air traffic control, navigation, communication, and weather reporting is in the primary interest of safety and direct support of the ongoing operation of the Gaylord Regional Airport NOW, THEREFORE, the parties mutually agree as follows:

1. TERMS AND CONDITIONS (Jun-04):

It is mutually understood and agreed that the Airport requires FAA navigation aid facilities in order to operate their business and that the FAA requires navigation, communication and weather aid facilities at the Airport in order to support Air Traffic Operations. Thus, in the interest of both parties it is hereby agreed that the Airport will allow the FAA to construct, operate, and maintain FAA owned navigation, communication and weather aid facilities in areas on the Airport that have been mutually determined and agreed upon for the term commencing on October 1, 2006 and continuing through September 30, 2026. The FAA can terminate this agreement, in whole or part at any time by giving at least (60) day's notice in writing. Said notice shall be sent by certified or registered mail.

ORIGINAL

(a) Together with a right-of-way for ingress to and egress from the premises; a right-of-way for establishing and maintaining pole lines or under ground lines for extending electrical power and/or telecommunications lines to the premises; including a right-of-way for subsurface power, communication and/or water lines to the premises; all right-of-ways to be over the area referred to as Gaylord Regional Airport, Gaylord, MI., to be routed reasonably determined to be the most convenient to the FAA and as not to interfere with Airport operations. The Airport shall have the right to review and comment on plans covering access and utility rights-of-way under this paragraph.

(b) And the right to grading, conditioning, and installing drainage facilities, and seeding the soil of the premises, and the removal of all obstructions from the premises which may constitute a hindrance to the establishment and maintenance of navigational aid systems. The Airport shall have the right to review and comment on plans covering work permitted under this paragraph.

(c) And the rights to make alterations, attach fixtures, and erect additions, structures or signs, in direct support of the Airport. The Airport shall have the right to review and comment on plans covering work permitted under this paragraph.

(d) And the right to park, without cost, all official and privately owned vehicles used for the maintenance and operation of the air navigational facilities. Parking shall be provided adjacent to the navigational aid facility or as near as possible without interfering with the operation of the Airport.

2. CONSIDERATION (Aug- 02):

The FAA shall pay the Airport no monetary consideration, it is mutually agreed that the rights extended to the FAA herein are in consideration of the obligations assumed by the FAA in its establishment, operation, and maintenance of navigational aid facilities upon the premises.

3. PURPOSE (Apr-05):

It is understood and agreed that the use of the herein described premises, known as, Gaylord Regional Airport, Gaylord, MI. shall be related to the FAA's activities in support of Air Traffic operations.

4. FAA FACILITIES (Apr-05)

The FAA facilities covered by this agreement are identified on the most current approved Airport Layout Plan (ALP) and/or other pertinent drawings that is made part of this agreement by reference and shown on the attached FAA "List of Facilities".

5. TITLE TO IMPROVEMENTS (Apr-05):

Title to the improvements constructed for use by the FAA during the life of this agreement shall be in the name of the FAA.

6. HAZARDOUS SUBSTANCE CONTAMINATION (May-00):

The FAA agrees to remediate, at its sole cost, all hazardous substance contamination on the FAA facility premises that is found to have occurred as a direct result of the installation, operation, relocation and/or maintenance of the FAA's facilities covered by this agreement. The Airport agrees to remediate or have remediated at its sole cost, any and all other hazardous substance contamination found on the FAA facility premises. The Airport also agrees to save and hold the U. S. Government harmless for any and all costs, liabilities and/or claims by third parties that arise out of hazardous contamination found on the FAA facility premises that are not directly attributable to the installation, operation and/or maintenance of the facilities on the attached FAA "List of Facilities."

7. INTERFERENCE WITH FAA OPERATIONS (Oct-96):

The Airport agrees not to erect or allow to be erected any structure or obstruction of whatsoever kind or nature within the Airport's boundaries that may interfere with the proper operation of the navigational aid facilities installed by the FAA, as it is not in the best interest of the Airport or the FAA.

8. FUNDING RESPONSIBILITY FOR FAA FACILITIES (Oct-96):

The Airport agrees that any relocation, replacement, or modification of any existing or future FAA's navigational aid systems made necessary by Airport improvements or changes, which interferes with the technical and/or operational characteristics of the facility, will be at the expense of the Airport, with the exception of any such improvements or changes which are made at the request of the FAA. In the event such relocations, replacements, or modifications are necessary due to causes not attributable to either the Airport or the FAA, funding responsibility shall be determined by mutual agreement between the parties.

9. NON-RESTORATION (Oct-96):

It is hereby agreed between the parties, that upon termination of its occupancy, the FAA shall have no obligation to restore and/or rehabilitate, either wholly or partially, the property which is the subject matter of this agreement. It is further agreed that the FAA may abandon in place any or all of the structures and equipment installed in or located upon said property by the FAA during its tenure. Such abandoned equipment shall become the property of the Airport.

10. NOTICES (Oct-96):

All notices/correspondence shall be in writing, reference the Agreement number, and be addressed as follows:

Airport Manager
Gaylord Regional Airport
1100 Aero Drive
Gaylord, MI. 49735

FEDERAL AVIATION ADMINISTRATION
ATTN: REAL ESTATE, AGL-52R
2300 EAST DEVON AVENUE
DES PLAINES, IL 60018

11. Previous Lease(s)/Agreement(s)

Lease No. DTFA14-81-L-R046, Supplements 1,2,and 3.

12. The following clauses are incorporated by reference: The full text of these clauses can be found via Internet at Land On-Airport Lease <http://fast.faa.gov>

1. OFFICIALS NOT TO BENEFIT (10/96)
2. COVENANT AGAINST CONTINGENT FEES (8/02)
3. ANTI-KICKBACK (10/96)

13. SIGNATURES (Apr-04):

The Airport and the FAA hereby agree to the provisions outlined in this agreement as indicated by the signatures herein below of their duly authorized representative (s). This agreement is effective upon the date of signature by the last party thereof.

Otsego County Airport Board
Gaylord, MI.

By: *Mike Hyde*
Paul Buckman

Title: AIRPORT COMMITTEE CHAIRMAN

Date: 11-12-06

UNITED STATES OF AMERICA,
FEDERAL AVIATION ADMINISTRATION

By: _____
Donald C. Gould

Title: REAL ESTATE CONTRACTING OFFICER

Date: _____

ORIGINAL

Dated _____

List of Facilities

MEMORANDUM OF AGREEMENT
DTFAGL-07-A-00005
Gaylord Regional Airport, Gaylord, MI.

<u>Number</u>	<u>Facility</u>	<u>R/W Number</u>	<u>GSA Control Number</u>	<u>Comments</u>
	LOCALIZER (LOC)	RWY 9		Localizer shelter centered 260' N of RWY 9-27 extended centerline and 910' E of the approach end of RWY 27. Drawing No. GL-D-1028AT1 and GL-D-1028-1-1 showing localizer and its critical area.
	VERY HIGH FREQUENCY OMNIDIRECTIONAL RANGE (VOR)			VOR Building center point located 730' S of RWY 9/27 and 555' W of RWY 18/36. Drawing No. GL-D-1028A-T and GL-D-2303.
	AUTOMATED SURFACE OBSERVING SYSTEM (ASOS)		26101	Combined Sensor Group is located 785' N of the RWY 09-27 extended centerline and 435' E of the end of RWY 27. ACU relocated to a room in the NW corner of the maintenance building.
	RUNWAY END IDENTIFICATION LIGHTS (REIL)	RWY 27		Both REIL units are 50' E of RWY 27 threshold and 82.5' N for Unit #1 and 82.5' S for Unit #2. Drawing No. GL-D-1029.
	OUTER MARKER AND COMPASS LOCATOR (COMLO)	RWY 9		Drawing No. GL-D-1024-4-1, Real estate rights are also requested for all land for this off airport OM to serve RWY 9 at Otsego County Airport.
	DISTANCE MEASURING EQUIPMENT (DME)			DME is housed in VOR. VOR Building center point located 730' S of RWY 9/27 and 555' W of RWY 18/36.
	GLIDE SLOPE (GS)	RWY 9		Glide Slope antenna mast at 900' E of the approach end of RWY 9 and 450' S of RWY 9 centerline. Drawing No. GL-D-1028AT1 and GL-D-1028-1-1 showing glide slope and its critical area.
	MEDIUM INTENSITY APPROACH LIGHTING SYSTEM with RUNWAY ALIGNMENT INDICATOR LIGHTS (MALSR)	RWY 9		MALSR approach light plane complex is 400' wide centered on RWY 9 centerline extending from threshold to 2600' W of RWY 9 threshold. Airport is responsible to keep light plane complex clear of obstructions. Drawing No. GL-D-1028AT1, GL-D-1028-5, sheets 1 and 2, and GL-D-1028-5-1.
	REMOTE COMMUNICATIONS OUTLET (RCO)			RCO is collocated within the VOR site.

ORIGINAL



2007 Holiday Schedule

Monday, January 1	New Year's Day
Tuesday, January 2	New Year's Eve Observance
Monday, February 19	President's Day
Friday, April 6	Good Friday
Monday, May 28	Memorial Day
Wednesday, July 4	Independence Day
Monday, September 3	Labor Day
Monday, November 12	Veterans' Day Observance
Thursday, November 22	Thanksgiving Day
Friday, November 23	Friday after Thanksgiving
Monday, December 24	Christmas Eve
Tuesday, December 25	Christmas Day
Monday, December 31	New Year's Eve
Tuesday, January 1 (2008)	New Year's Day



BOARD OF COMMISSIONERS 2007 MEETING SCHEDULE

Second and fourth Tuesdays of each month, beginning at 9:30 a.m.
in the Multi-Purpose Room of the J. Richard Yuill Center‡

January 9

January 23

February 15* (Thursday)

February 27 ‡ Livingston Twp. Hall – 7:00 p.m.

March 13

March 27

April 10

April 24

May 8

May 22

June 12

June 26 ‡ Charlton Twp. Hall 7:00 p.m.

July 10

July 24

August 14

August 28 ‡ Hayes Twp. Hall – 7:00 p.m.

September 11

September 25

October 9

October 23

November 8* (Thursday)

November 27 ‡ Otsego Lake Twp. Hall – 7:00 p.m.

December 18** (Third Tuesday)

*Thursday

**Third Tuesday

‡ Different Time and/or Location

OTSEGO COUNTY BOARD RULES/BYLAWS

1. AUTHORITY

These rules/bylaws are adopted by the Board of Commissioners of Otsego County (hereafter referred to as the Board) pursuant to Section 46.11 of the Compiled Laws of Michigan as amended.

2. ORGANIZATION

2.1. BOARD

The Board has nine (9) commissioners elected for two (2) year terms. Generally, the Board may be defined as the legislative, policy making branch of County government.

2.2. DUTIES OF THE CHAIRPERSON

- 2.2.1. The Chairperson, if present, shall preside at all meetings of the Board, preserve order, and decide questions of order subject to appeal to the Board which may reverse the Chairperson by a majority vote of those present and voting.
- 2.2.2. The Chairperson shall be the agent for the Board in the signing of contracts, orders, resolutions, determinations and minutes of the Board.
- 2.2.3. The Chairperson shall serve in such capacities and make appointments as the law shall require or allow.
- 2.2.4. The Chairperson shall serve as an ex-officio member on all Board committees. As such, he shall not be a voting member except cases where he/she is a regular member of the committee.
- 2.2.5. The Chairperson or the appointed replacement shall represent the Board and County at various functional and ceremonial activities.
- 2.2.6. The Chairperson, subject to the disapproval of a majority of those voting, shall appoint all standing, special or ad hoc committees. He/she shall designate the chairperson of each committee.
- 2.2.7. The Chairperson shall have the power to administer an oath to any person concerning any matter being considered by the Board.
- 2.2.8. The Chairperson, when appropriate, shall refer matters coming before the Board to a committee.

2.3. VICE-CHAIRPERSON

He/she shall be elected at the organizational meeting of the Board and shall assume all the duties and responsibilities of the Chairperson when the Chairperson is absent.

2.4. COUNTY CLERK DUTIES

- 2.4.1. Preside, until a Chairperson or temporary chairperson is elected.
- 2.4.2. Record all proceedings of the Board and house the records in a safe place.
- 2.4.3. Make regular entries of all Board resolutions and decisions.
- 2.4.4. Record the vote on all questions and where required indicate the vote of each commissioner.
- 2.4.5. Perform such other duties as the Board by resolution may require.
- 2.4.6. Appoint a deputy to attend Board meeting when unable to attend.

2.5 COUNTY ADMINISTRATOR

The County Administrator is hereby designated as the official signatory of Board approved leases, contracts and other legal documents. However, this designation does not diminish the authority of the Chairperson.

3. MEETINGS

3.1. Organizational meeting.

3.1.1. The first meeting of each calendar year shall be for the purpose of organizing. If needed, the County Clerk shall preside until a chairperson is elected. However, the first order of business shall be to administer the oath of office to commissioner(s) if the oath has not been given.

3.1.2. In odd years the second item of business shall be to decide if the term of office shall be for one (1) or two (2) years and if the vote shall be an open or closed ballot.

3.1.3. In needed, the next item of business is to select, by majority vote of all members, an elected commissioner to serve as Chairperson of the Board. The elected Chairperson shall take and assume the duties upon election.

3.1.4. The next item of business shall be the election of a Vice-Chairperson.

3.2. Regular meetings

The Board shall meet according to the schedule adopted pursuant to Section 5 of the Open Meetings Act (P.A. 267 of 1976 as Amended being MCL 15.265), normally the second and fourth Tuesday of each month. The time and place shall be determined by the Board.

3.3. Special meetings

3.3.1. The Board shall meet in special sessions upon the written petition to the County Administrator, signed by one third (1/3) or more of the members. The petition shall specify the time, date, place and purpose of the meeting.

3.3.2. The Chairperson may also call an unscheduled meeting at his/her discretion.

3.4. Emergency meetings may be called with the consent of two thirds (2/3) of the members of the Board and only if delay would threaten/endanger the health, safety and welfare of the public. An emergency meeting does not require public notice.

3.5. Change in schedule

A change in schedule shall not be made unless a majority of the Board concurs. In the event the Board shall meet and a quorum is not present, the Board with the approval of a majority of those present, may adjourn the meeting to another time provided that notice is given to members and the public.

3.6. Work sessions

Work sessions of the Board may be held at a date, time and place established by the Board. However, formal action may not be taken at a work session.

4. PUBLIC NOTICE OF MEETINGS

4.1. The County Clerk or Administrator shall provide notice for all meetings of the Board. Such notice shall include but is not necessarily limited to the following.

4.1.1. Regular meetings

The Clerk or Administrator shall post within ten (10) days after the first meeting in the calendar year a list of scheduled meetings indicating the date, time and place.

- 4.1.2. Schedule change
Proper and timely notice shall be posted as mandated in Section 4.1.3.
- 4.1.3. Special and emergency meetings
Notice shall be posted immediately and delivered to the residence of each commissioner by direct delivery or mail. No meeting, except emergency, shall be held until the notice shall have been posted at least eighteen (18) hours.
- 4.1.4. Notification of media and others
If a request has been filed the Clerk or Administrator shall notify, with out charge, any newspaper or radio or television station of the Board's meeting schedule, schedule changes or emergency meetings.
- 4.1.5. Upon request, individuals will be notified of meetings but must reimburse the County for all reasonable costs.

5. QUORUM

- 5.1. A majority of commissioners, elected and serving, shall constitute a quorum for the transaction of ordinary business.
- 5.2. No member of the Board may absent himself/herself without the consent of the Board. Leave may be revoked by the Board at any time.
- 5.3. Call of the Board
The Board, by majority vote of those present and voting, may call the Board. Upon such a vote, the Board empowers the Sheriff to assure that commissioners who are absent without leave will promptly attend.

6. AGENDA FOR REGULAR MEETINGS

- 6.1. The Administrator after reviewing pending business and consulting with the Chairperson will draft an agenda for regularly scheduled meetings. Commissioners interested in placing an item on the agenda will notify the Administrator by the close of the business on the Tuesday preceding the next regular meeting. Items not on the agenda may be introduced as new business.
- 6.2. Resolutions to be considered by the Board must be included with the agenda packet forwarded by the Administrator to each commissioner prior to the scheduled regular meeting. Any resolution not included in the packet will require six (6) votes to be adopted.
- 6.3. The following will be the usual agenda format for regular meetings of the Board.
 - Call to Order
 - Invocation
 - Pledge of Allegiance
 - Roll Call
 - Approval and Correction of Minutes
 - Consent Agenda (If Any)
 - Administrator's Report
 - Reports from Officers
 - Committee Reports
 - Reports from Department Heads (If Any)
 - Scheduled Presentations (If Any)

City Liaison & Township & Village Representatives
Correspondence
Special Orders (as defined in RONR) (If Any)
Unfinished Business and General Orders (If Any)
New Business
Public Comment
Board remarks, Announcements, and informal discussions
Closed Session/Executive Meeting (If Ordered)
Adjournment

- 6.4. Agenda for special meetings
The agenda shall be included in the notice of the meeting and no other matter shall be considered except when all members are present and a majority concurs.
- 6.5. Distribution of agenda material
Upon completion of an agenda packet, the Administrator shall immediately distribute and post copies with reports, explanations, etc., that relate to agenda items. Commissioners shall receive materials no later than the Saturday preceding the next regularly scheduled meeting.
- 6.6. Consent agenda - Define/Procedure
- 6.6.1 The consent calendar/agenda shall consist of motions by any commissioner or the administrator with which the Board usually concurs. The Chairperson must allow commissioners to remove any motion where there is a question or a desire to discuss more fully. These items will be added at the appropriate place on the agenda.
- 6.6.2 Motions on the consent agenda shall be numbered consecutively for easy identification.
- 6.6.3 Motions not removed per section 6.6.1 or section 8.1 shall be adopted en bloc by unanimous consent.
- 6.6.4 A resolution may be placed on the consent agenda and when thus included, consideration shall be the same as and concurrent with the other items.

7. CONDUCT OF MEETINGS

- 7.1. The Chairperson shall preside at all meetings of the Board. In the Chairperson's absence the Vice Chairperson shall preside. In the event both Chair and Vice Chair are absent, the Clerk shall preside until the commissioners present elect a commissioner to preside.
- 7.2. Board members wishing to be heard shall first obtain the approval of the Chairperson and each person who speaks shall address the Chairperson. Individuals attending the meeting shall not speak unless recognized by the Chairperson.
- 7.3. A second shall not be required to place a motion before the Board.
- 7.4. Disorderly conduct
- 7.4.1. The Chairperson shall call to order any person who is disorderly by speaking or otherwise disrupting the proceedings by failing to be germane, by speaking longer than the allotted time or interfering with the scheduled agenda. Said person shall be ruled out of order and not allowed to participate except upon special leave of a majority of the commissioners present. If the person continues to be disorderly, the Chairperson may call a recess or have the person removed from the meeting. However, no person shall be removed from a public meeting except for an actual breach of the peace committed at the meeting.
- 7.4.2. Failure to place a pager and/or a cell phone on the silent mode during a meeting is hereby

deemed to be a breach of peace as defined by section 7.4.1.

- 7.5 If a motion to adjourn is adopted prior to "Public Comment", the meeting shall immediately be open for public comments prior to execution of the motion. Public comment under this sub-section is limited to thirty (30) minutes.
- 7.6 A negative motion shall be considered the same as if the motion had been made in a positive form. A negative motion is a motion which (a) if adopted has the same result as not adopting any motion, and (b) if defeated leaves everyone confused as to the board's intent. A motion to 'not approve the petition' shall be stated as a motion to 'approve the petition.'

8. PUBLIC PARTICIPATION IN MEETINGS

- 8.1. Public comment on the consent agenda shall be limited to requesting the removal of a motion from the consent agenda. This request shall indicate the speakers desire to speak against the motion.
- 8.2. Participation during debate on a motion.
After a question has been opened for debate by the chairperson, a member of the public, when recognized by the chairperson, may speak on the question once for up to three (3) minutes, providing the remarks conform to rules of proper debate and are germane to the question. Germane is defined as having a bearing on whether the pending motion should be adopted or rejected.
- 8.3. A motion to close public debate
The subsidiary motion to close public debate shall rank between the motion to limit or extend limits of debate and the motion of the previous question. This motion shall require a majority vote, shall not be debated or amended, but may be reconsidered under the same rules as the previous question.
- 8.4. During "Public Comment" after New Business or under provisions of section 7.5, Members of the public are invited to bring before the Board any concern that is with in the providence of the Board. The speaker must use language that is appropriate for debate.

9. VOTING

- 9.1. Majority vote is the usual manner for deciding procedural and other questions arising at a meeting. However, there may be exceptions wherein decisions require, by statute, a higher than majority vote. Also, a majority of the members elected and serving is required for final passage or adoption of resolutions or allowance of claims, or other routine business.
- 9.2. A two thirds (2/3) vote shall be required on the following procedural motions.
Suspend the rules
Limit or extend debate
Object to consideration
Move the previous question
Hold a closed session pursuant to the Open Meetings Act
- 9.3. A roll call vote requires the name and vote of each member be recorded on any action taken by the Board. Unanimous consent shall be recorded as each member voting in favor of the proposed action.

- 9.4. No vote may be taken by secret ballot except on the question of electing a Chairperson.
- 9.5. Mandatory voting on all issues shall be required unless a member is recused, due to conflict of interest, by a majority of the Board.
- 9.6. A question may be reconsidered and decided by a roll call vote if called for by a member who voted with the majority on the roll call. Any member may ask for reconsideration if the matter was decided viva voce. However, a matter may not be reconsidered more than once.
- 9.7. Conflict of interest suggests that a commissioner has a direct or indirect interest in a contract or other business transaction. Members are encouraged to vote after making public the possible conflict.

10. RECORD OF MEETINGS

- 10.1. The County Clerk shall be the Clerk of the Board and will be responsible for maintaining the official records and minutes of Board meetings. The minutes shall include all actions and decisions made by the Board and shall indicate the name of the mover of motions and resolutions. Resolutions will be considered by roll call vote and each commissioner's vote indicated.
- 10.2. Record of discussion
The Clerk shall not be responsible for maintaining a written record or summary written record of the discussions and comments made by Board members or comments made by members of the public. However, the Clerk shall be responsible for making an electronic tape recording of each meeting of the Board. These tapes shall be maintained in the office of the Clerk for a period of six (6) months. The tapes will not leave the office of the Clerk.
- 10.3. Request for remarks to be included.
A commissioner may have his/her comments printed as part of the minutes upon the concurrence of a majority of the members present. Such comments to be included in the record shall be provided to the clerk in writing.
- 10.4. Public access to meeting records
The Clerk shall make available to the public the records of Board meetings in accordance with the Freedom of Information Act. Board minutes prepared but not approved by the Board shall be made available for public inspection not more than seven working days following the meeting. Approved minutes shall be available the day following the meeting of the Board wherein approval was given.

11. COMMITTEES

- 11.1. Appointment
Each year, following the election of the Board Chairperson, the Chairperson shall appoint commissioners to standing committees and other assignments as appropriate.
- 11.2. Committee Chairperson
The person first listed on the roster of each committee shall be Chairperson. In the absence of the chairperson, the next listed commissioners shall act as Chairperson.
- 11.3. Standing Committees of this Board are:
 - 11.3.1 Planning/Budget/Finance
 - 11.3.2 Personnel

- 11.3.3 Building and Grounds
- 11.3.4 Bus
- 11.3.5 Airport
- 11.3.6 Animal Control
- 11.3.7 Veterans
- 11.4. Committee meetings
 - 11.4.1. A majority of the members of a committee shall constitute a quorum. Committee meetings shall be open to the public unless closed by a two thirds (2/3) vote pursuant to the Open Meetings Act.
 - 11.4.2. The committee shall maintain a written record of meetings and shall present records to the Board at a regular meeting. These records shall constitute a public record and shall be made available to any person as required by law.
- 11.5. Exercise of Governmental function

A committee shall not exercise a government function in a meeting that is not open to the public unless the Open Meetings Act permits a session to be closed to the public. The committee will make recommendations to the Board and report matters considered and rejected as well as those considered and recommended.
- 11.6 A special, select or ad hoc committee may be formed by the chairperson with consent of the Board or by direction of the Board. Any committee formed under this section shall cease to exist upon completion of its assignment.
- 11.7. Committee of the Whole
 - 11.7.1. Whenever the Board shall meet in “working meetings” the Board shall meet as a committee of the whole and the Chairperson, Vice-Chairperson or another member shall preside.
 - 11.7.2. Meetings of the whole shall comply with the provisions of the Open Meetings Act with respect to public notice except when the Board shall devolve into a committee of the whole at one of its regular meetings.
 - 11.7.3. The rules of the Board shall be observed in committee of the whole meetings except for limiting debate, moving to vote immediately and taking a roll call vote.
 - 11.7.4. Upon request of two thirds (2/3) of the Board, resolutions, ordinances and other matters shall be read aloud by the Clerk and considered and acted upon by sections. When the committee of the whole completes its deliberations, a member shall move that the committee rise and report to the Board.
- 12. EXECUTIVE MEETINGS/CLOSED SESSIONS
 - 12.1. A motion to hold an executive meeting/closed session may be made at any time during the meeting. If the motion passes, the meeting shall be held as provided for in rule 6.3. If rule 7.5 is in effect, then the closed session shall be between public comment and adjournment. The vote on a motion to hold an executive meeting shall be recorded in the minutes. Executive sessions must comply with the Open Meetings Act.
 - 12.2. Minutes of Executive meetings shall be maintained separate and sealed. The minutes shall indicate clearly the topics discussed. The record shall not be disclosed to the public except on order of a court. The clerk shall destroy the minutes after one (1) year and one (1) day after the meeting at which the Board approved the minutes.

13. PARLIAMENTARY AUTHORITY
Robert's Rules of Order Newly Revised (RONR) shall govern all questions of procedure not otherwise provided by these rules, or by State or Federal law. A person so designated by the Board shall serve as the Board's parliamentarian and shall advise the presiding officer regarding rules of procedure.
14. ADMINISTRATIVE RESOLUTIONS
 - 14.1. Definitions
Any action regarding the operation or administration of a department of County government or containing policies of the Board applicable to more than one (1) department, and not adopted by ordinance, shall be an administrative policy.
 - 14.2. Any commissioner may introduce an administrative resolution at a regular or special meeting.
15. PROCEDURE FOR FILLING VACANCIES ON BOARDS AND COMMISSIONS
 - 15.1. The Administrator shall notify the Board regarding the expiration of term of office on any board or commission where vacancies are filled by the Board.
 - 15.2. The Administrator shall prepare public notice of vacancies. Such action shall not require Board approval. Public notices must be given whenever a vacancy occurs on a board or commission, which the Board has the authority to fill.
16. BOARD VACANCIES
When a vacancy occurs in the office of commissioners by death, resignation, moving from the district or removal from office the vacancy shall be filled by appointment within thirty (30) days by the Board with a resident and registered voter of that district. The person appointed to fill a vacancy which occurs in an odd numbered year shall serve until the vacancy is filled by a special election. The person appointed to fill a vacancy which occurs in an election year shall serve the remainder of the unexpired term. If the Board fails to fill a vacancy within thirty (30) days, the vacancy shall be filled by special election regardless of the year. A person appointed under this section shall, for the purpose of these rules/bylaws, be considered to be elected and serving.
17. PER DIEM
 - 17.1. Per Diem for each commissioner shall be \$35.00 for each authorized meeting attended. If the meeting lasts longer than 4 hours, the per diem shall be \$70.00.
 - 17.2. Authorized meetings are meetings of committees to which the commissioner has been appointed, meetings of organizations to which the commissioner is a liaison, and other Board approved events.
 - 17.3. No Per Diem shall be paid for regular and/or special board meetings, committee of the whole meetings, board workshops, or other events which the full board is expected to attend. No per diem shall be paid for attending a committee meeting as an ex-officio member.
18. ADOPTION AND AMENDMENT OF RULES
These rules having been adopted by not less than a two-thirds (2/3) vote of all the

members of the Board, may be amended or rescinded by a two-thirds (2/3) vote of all the members of the Board. They shall remain in effect until amended or rescinded. Any proposed amendment of these rules, properly presented to the Board of Commissioners, shall take immediate effect when adopted, unless the Board at the time of adoption stipulates otherwise.

19. PREVIOUS RULES/BYLAWS

These Otsego County Rules/Bylaws supersede any and all rules/bylaws and amendments adopted prior to this date.

Adopted 1/11/05

5/23/06 copies of this document given to chair & vice chair.



Public Improvement Fund Borrowing Policy

PURPOSE

The purpose of this policy is to set the procedures for loans from Otsego County's Public Improvement Fund, as established by Resolution OCR 91-46, to General Fund Departments, Special Revenue Departments (County Departments with dedicated millages), and the following Component Units: Commission on Aging, Emergency Medical Services, Bus System, Road Commission, Sportsplex, and University Center.

POLICY

It is the policy of Otsego County that loans from the Public Improvement Fund to Component Units or Special Revenue Departments will be repaid at an interest rate that is the highest of either 4% or the investment rate of interest the Public Improvement Fund is earning on the date of the loan request (or the average rate of interest, if the Public Improvement Fund dollars have been invested in more than 1 investment medium).

Loans from the Public Improvement Fund to General Fund Departments will not be required to pay interest.

If payment is late by more than 30 days, the Otsego County Finance Department is directed to transfer the funds for the payment from the appropriate borrower's cash account.

Loans may be approved for acquiring, constructing, extending, altering, repairing or equipping public improvements or public buildings, or for purchasing major equipment. Loans for operational expenses will not be allowed.

PROCEDURE

1. Requests for loans from the Public Improvement Fund must be in writing to the County Administrator. The request should include the reason for the loan request, duration of the loan, amount of the loan, source of replacement funds to pay back the loan, and payment terms (i.e. quarterly, monthly...). Supporting documentation may be required with the loan application.
2. The County Administrator will then present the request to the Budget & Finance Committee for their recommendation to the full Board of Commissioners.
3. The Board of Commissioners will have final approval over loan requests.

RESOLUTION NO. OCR 06-55
Airport Equipment Sales

OTSEGO COUNTY BOARD OF COMMISSIONERS
November 28, 2006

WHEREAS, the Gaylord Regional Airport is in possession of several surplus pieces of equipment; and

WHEREAS, this equipment includes a fire truck and a fuel truck; and

WHEREAS, it is fiscally responsible to dispose of unneeded equipment via advertised sale; and

WHEREAS, the Airport Manager did advertise that the surplus equipment is for sale; and

WHEREAS, the Airport Manager did receive bids on each of the surplus items; now, therefore, be it

RESOLVED, that the Otsego County Board of Commissioners authorizes the sale of the fire truck to Everett Tillotson for \$5,000; and be it, further

RESOLVED, that the Otsego County Board of Commissioners authorizes the sale of the fuel truck to North Country Aviation for \$10,000; and be it, further

RESOLVED, that the proceeds from the sale of the surplus equipment be deposited in the Airport Capital Projects Fund.