



AGENDA
CITY COMMISSION MEETING
WEDNESDAY, FEBRUARY 12, 2025
CITY HALL | 130 N. NOTTAWA ST.
WIESLOCH RAUM

REGULAR MEETING 6:00 P.M.

1. CALL TO ORDER BY MAYOR
2. PLEDGE OF ALLEGIANCE
3. INVOCATION
4. ROLL CALL
5. PROCLAMATIONS / PRESENTATIONS
6. VISITORS – (Public comments for items not listed as agenda items)
7. APPROVAL OF AGENDA
8. APPROVAL OF CONSENT AGENDA
 - A. Action of Minutes of Previous Meetings
 - **APPROVE the minutes from the January 22, 2025 regular meeting as presented.**
 - B. Pay Bills
 - **AUTHORIZE the payment of the City bills in the amount of \$2,593,394.37 as presented.**
 - C. Board Resignation
 - **ACCEPT the resignation of Pete Stage from the Sturgis Planning Commission and SEND a letter of recognition for his service.**
9. UNFINISHED BUSINESS
10. NEW BUSINESS
 - A. Zoning Ordinance Amendments First Reading – William Prichard
 - B. Electric City Discharge Rights and Interconnection Agreement – Chris McArthur
 - C. Renewable Energy Plan PA 235 – Chris McArthur
 - D. Stateline Substation Bids – Chris McArthur
 - E. Michigan Energy Assistance Program (MEAP) – Chris McArthur
 - F. Michigan Ave. Lift Station Pump Procurement – Thomas Sikorski
 - G. Mower Purchases – Thomas Sikorski
 - H. Enterprise Truck Leases – Thomas Sikorski
 - I. Airport ALP – Thomas Sikorski
 - J. Board Appointments – Kenneth Rhodes
11. COMMISSIONER / STAFF COMMENTS
12. ADJOURN

Manager's Report

FEBRUARY 12, 2025



CITY OF
Sturgis
MICHIGAN

Submitted by:

A handwritten signature in black ink, appearing to read "Andrew Kuk".

Andrew Kuk
City Manager

8. Consent Agenda

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the Consent Agenda for February 12, 2025 as presented.

Staff Recommendation:

APPROVE

8A. Action of Minutes of Previous Meetings

Consent Agenda Motion:

APPROVE the minutes from the January 22, 2025 regular meeting as presented.

8B. Pay Bills

Consent Agenda Motion:

AUTHORIZE the payment of the City bills in the amount of \$2,593,394.37 as presented.

8C. Board Resignation

Consent Agenda Motion:

ACCEPT the resignation of Pete Stage from the Sturgis Planning Commission and SEND a letter of recognition for his service.

10. New Business

A. Zoning Ordinance Amendments First Reading

Staff: William Prichard

City staff and the Planning Commission have been working on changes to the City's code of Ordinances since June 2023. On December 13, 2024, the City Commission approved a number of content changes to the Zoning Ordinance. Designed to work in tandem with these content changes to the Zoning Ordinance, City staff and the City's planning consultant, Beckett & Raeder, have also been working on a major reformatting of the ordinance to make it more user-friendly.

The proposed reformatting includes changes to provide more information on the general regulations in each zoning district within Article IV - Description of Districts. The intent is to help users find basic zoning information for their zoning district without having to search through multiple sections. Hyperlinks are provided to full sections of the ordinance, make navigation much easier and more straightforward. The reformatting also adds a summary table of permitted uses to the beginning of Article IV, adds better graphics throughout the ordinance, and presents an overall cleaner formatting.

The Planning Commission held public hearings on November 19, 2024, and January 21, 2025 to review these amendments. At both meetings, the Planning Commission recommended approval to the City Commission. Any changes made since the City Commission's December approval are highlighted in the revised document for easy reference. A few of these amendments are listed below:

- Updated the illustration of "Basement" to include notations for clarity.
- Revised the term "Contractor's" to "Contractor" in the definition of Contractor Office.
- Relocated the definition of Political Signs under the broader category of Sign Definitions for consistency.
- Created a matrix for uses to indicate what is permitted by right and special land use within the zoning districts.

- In the specific description of districts, some uses were omitted but found during the reformatting while other uses were considered and added.
- Updated some parking standards for several uses that were not provided with parking standards in previous versions.
- Other improvements include expanded definitions, better graphics, and improved cross-referencing so users can quickly find what they need.

A full summary of the proposed amendments are included in your packet.

This effort is part of the City's commitment as a Redevelopment Ready Certified Community, a designation that allows us to access funding for projects that improve how residents interact with city regulations. Most of the funding for the zoning ordinance amendments and reformatting was provided through funds available as part of this certification.

Proposed Motion:

Move that the Sturgis City Commission CONSIDER/NOT CONSIDER this the first reading of amendments to the Zoning Ordinance as presented.

Staff Recommendation:

CONSIDER

Information Included in Packet:

1. Reformatted Zoning Ordinance Draft (Included with Packet Email)
2. Summary of Proposed Amendments

10. New Business

B. Electric City Discharge Rights and Interconnection Agreement

Staff: Chris McArthur

In August of 2023 the City was approached by Prism Power Partners to see if the City was interested in a potential battery storage project. The City consulted with the Michigan Public Power Agency (MPPA), the organization that handles the City's power purchase needs, on the opportunity. In February of 2024 City staff and MPAA presented information on the project to the City Commission at a work session, followed by a presentation from Prism Power Partners and approval of a non-binding term sheet at a regular meeting. Over the course of the year MPPA, City staff, and Prism worked on final agreements for the project.

Generally, the project would involve Prism developing and owning a battery storage project and entering a Discharge Rights Agreement with the City. Under this agreement, the City would contract for access to the project for a set monthly fee of \$111,394.00 per month for a 15-year period. In exchange for the monthly fee, the City would have the ability to dispatch the battery storage capacity for up to 160 hours per year for the purposes of "peak shaving" to reduce our costs of transmission and capacity. This is the same process the City undertakes currently with the diesel plant. When not being dispatched for peak shaving purposes, Prism would intend to sell use of the battery project as an ancillary service in the utility market (PJM). The City would receive 75% of the net revenue received from this use.

A financial summary for the project is included in your packet, outlining MPPA's analysis of the costs and benefits to the City. As per this analysis, in the first full year of operation (year 2 on the sheet), the City is projected to net just under \$1.9M from the project. The analysis also projects that the net present value of the agreement would be \$27,000,000.00 for the City over the 15-year life of the project.

Included in your packet is a copy of the final Discharge Rights agreement. It outlines the terms of the use of the project between the City and Prism. In

addition to the economic terms already discussed, the agreement provides for how the facility will be maintained, its availability to the City for peak shaving and how power is dispatched, and other terms and conditions. As the dispatch of resources for peak shaving is a critical element to the business case of this project for the City, language is included for a performance guarantee related to the operation and available capacity of the battery when requested for the 160 hours related to peak shaving. This essentially amounts to a form of insurance for the City. Finally, the agreement calls for a 50-50 share of any grants received by the project.

Also included in your packet is an Interconnection Agreement between the City and Prism for the project. This agreement outlines terms for the private project connecting to the City's distribution infrastructure. It addresses issues of making the initial connection, testing of facilities, how and why connection may be terminated, and provisions to pay the City for anticipated costs to interconnect. As outlined in the agreement, this is estimated to be \$216,000.00.

Both agreements have been developed and reviewed by MPPA legal staff along with MPPA staff member and City staff members. The approval of the agreements is one of the next steps to proceed with the project.

As part of the project, Prism Power Partners is receiving a low-interest loan from the USDA Pace Program to help finance the project and a grant from the State of Michigan. Prism has received a conditional approval from the USDA for the loan and is currently in the process of completing required environmental work.

Due to the USDA loan being an integral part of the project and recent uncertainty over Federal funding programs, City staff and Prism have discussed and agreed to some minor changes to the Discharge Rights agreement. These changes are being drafted by Prism and an updated copy of the agreement will be provided to the Commission prior to the meeting. The proposed changes would include adding an deadline of June 2026 for Prism to either receive authorization to proceed from the USDA or order the batteries for the project. If this deadline is not met, the City would be able to terminate the agreement.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the ESS Discharge Rights Agreement with Electric City ESS LLC as presented.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the Interconnection Agreement with Electric City ESS LLC as presented.

Information Included in Packet:

1. Battery Storage System Financial Summary
2. ESS Discharge Rights Agreement
3. Interconnection Agreement

10. New Business

C. Renewable Energy Plan PA 235

Staff: Chris McArthur

As discussed during the work session with MPPA on December 18th 2024, the Clean and Renewable Energy and Energy Waste Reduction Act, or Public Act 235 (“PA 235”), passed into law in November 2023 and requires all municipal electric utilities to file their own individual Renewable Energy Plan (“REP”) for 2025 – 2045 (21 years) with the Michigan Public Service Commission (“MPSC”) no later than February 27, 2025.

The primary purpose of the REP is to show how a utility reasonably expects, based on what it knows today, to meet its renewable energy compliance requirements each year through 2045. The legislature recognized when crafting the law that a utility’s REP is just that, a plan that has been developed based on what is known today but will obviously change over time. PA 235 requires a REP to be updated & filed with the MPSC every two years.

MPPA worked on behalf of its members (including Sturgis) to develop REP plans that meet the requirements of PA 235. Copy of the proposed Renewable Energy Plan is included in your packet.

The first half of the plan (through line 18) calculates the amount of renewable energy credits needed each year based on a three-year average of retail sales by the municipality, then multiplied by a percentage of those sales required to be renewable. This percentage increases over time from 15%, to 50%, and finally to 60% in 2035. The requirement can be reduced if the City were to have sales under our Voluntary Green Pricing program, if we were to have sales from Michigan nuclear energy sources, or significant flow back to the grid from distributed generation (DG) sources like customer solar.

The second half of the plan outlines assumptions for how we acquire the necessary energy credits. The City currently has a significant balance of credits thanks to a combination of our Power Purchase Agreement (PPA) with the solar

field in town as well as the generation of power from the hydro dam. We also have Renewable Energy Credit (REC) purchases planned through 2030 when rules around RECs change.

As identified in the plan, these sources provide us with a strong “bank” from which to meet regulatory requirements. The plan shows us ramping up credits from new PPA agreements in starting in 2028 and then again in 2031, 2035, 2038, and 2041 to continue to meet requirements with a healthy ending balance.

As noted above and in the support information included with the plan, this is a forecast and plan based on current knowledge and circumstances that will be continually updated as time goes on. It does not commit the City to a particular course of action in 2028 or 2041 or any time in between, but it does provide us with a look ahead to make sure the City is accounting for those requirements currently in the law.

In order to file the plan with the MPSC, City staff and MPPA are recommending the City Commission approve the Renewable Energy Plan as presented.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the PA 235 Renewable Energy Plan as presented.

Staff Recommendation:

APPROVE

Information Included in Packet:

1. Sturgis Renewable Energy Plan

10. New Business

D. Stateline Substation Bids

Staff: Chris McArthur

The FY 2024-2025 capital budget for the Electric Department includes funds for completion of the Stateline Substation. This substation will help to better serve business expansion on the south end of town, including the property purchased by the City at the state line. This substation will also be used for the proposed battery storage project to feed into.

Given long lead times for certain types of equipment, at the July 10th, 2024 meeting the Commission approved ordering \$457,841.00 worth of transformers, switches, and breakers. In September, GRP (aka Verdantas) was approved to provide engineering for this project and to procure additional long lead time items. Staff is now bringing the next batch of equipment with 27-week lead times. The estimated energization of this substation is slated for February 2026.

Staff went out to bid for the control house and relay panels for the project and received three bid responses. Panel Built was the low bidder at \$546,800.00. GRP has recommended accepting the bid from Panel Built, Inc.

Staff also went out to bid for two 15kV breakers with two responses received. Verhill Associates was the low bidder at \$92,703.78.

Included in your packet are letters of recommendation and bid tabulations for both bids as well as a budget and costs spreadsheet for the project. The City budgeted \$3,888,000.00 for the project this fiscal year. Additional construction bidding will be presented to the Commission at a future meeting.

Proposed Motion

Move that the Sturgis City Commission APPROVE/DENY the purchase of the control house and relay panels from Panel Built in the amount of five hundred forty-six thousand eight hundred dollars (\$546,800.00) as presented.

Proposed Motion

Move that the Sturgis City Commission APPROVE/DENY the purchase of two 15kV breakers from Verhill Associates in the amount of ninety-two thousand seven hundred three dollars and seventy-eight cents (\$92,703.78)

Staff Recommendation:

APPROVE and APPROVE

Information Included in Packet:

1. Letter of Recommendation & Bid – Control House & Relay Panels
2. Letter of Recommendation & Bid – 15kV Breakers
3. Stateline Substation Budget and Costs Spreadsheet

10. New Business

E. Michigan Energy Assistance Program (MEAP)

Staff: Chris McArthur

On December 17, 2024, the Governor signed into law Michigan Energy Assistance Program (MEAP) Legislation an updated version of Public Act 95 of 2013, which created the Low-Income Energy Assistance Fund.

Under the 2013 version of the law, funds were generated for the state-run Low-Income Energy Assistance Fund by assessing up to one dollar per month per electric meter. Funds so generated were distributed to low-income households by the Department of Human Services to help pay energy bills. The Act affected every electric utility in the State. In lieu of collecting the surcharge, Section 7 of the Act allowed utilities to opt-out, but if they did so it prohibited them from shutting off residential electric service for non-payment of a delinquent account from November 1st through April 15th. Since establishment of the law the City has chosen to opt-out of Public Act 95.

Under the new law passed in December, the City has two new options, detailed below. Both options require the City to provide funds for an energy assistance program for residential customers either by opting in to the State of Michigan's program or opting out and establishing a local program.

OPT-IN

- Reply to MMEA's annual email with our opt-in status and provide your total number of billing meters.
- MPSC sets the funding factor. They may increase the factor to \$1.25 (previously it was capped at \$1.00) and may continue to increase the factor by not more than \$0.25 each year thereafter. They may not exceed a cap of \$2.00. Beginning in 2029, and each year thereafter, the commission shall adjust the cap by the percentage increase in the United States Consumer Price Index for the immediately preceding calendar year.

- Utility must submit money to the state treasurer for deposit in the fund, monthly, no later than 30 days after the last day in each calendar month. The low-income energy assistance funding factor must be a separate line item on each customer's bill.

OPT-OUT

- Eligible if less than 45,000 residential electric customers; respond to MMEA's annual email and MMEA will file with the MPSC by April 1.
- Provide # of eligible retail billing meters (as if you were opting in). Must include in service territory AND total billing meters by county.
- Establish and fund an energy assistance program for residential customers that provides assistance to residential customers for both electric and home heating consistent with the eligibility requirements of the Michigan energy assistance program established in section 3 of the Michigan energy assistance act, 2012 PA 615, MCL 400.1233.
- Ensure the funds available for energy assistance programs are sufficient to provide assistance to all eligible customers who apply, but the utility is not required to spend more for an energy assistance program than what the utility would have collected from the low-income energy assistance funding factor if the utility did not opt out.
- Beginning October 1, 2025, and annually thereafter, the utility shall provide notice to its residential customers of available energy assistance provided by the utility. The notice must include a description of the program, eligibility guidelines, application information, and a statement that the utility's assistance program is offered instead of collecting the low-income energy assistance factor.
- The utility shall include information regarding the assistance program on its website.
- Beginning December 1, 2026, and annually thereafter, the utility shall submit to the commission a report that contains the following information:
 - a) The total amount of funds available for energy assistance for the utility's customers.

- b) The total number of the utility's customers, by county, that applied for energy assistance through the utility program.
 - c) The total number of the utility's customers, by county, that received assistance.
 - d) The total amount of assistance provided to the utility's customers, by county, including a de-scription of the amount of assistance provided for each home heating commodity.
 - e) Any other information the commission considers necessary to demonstrate compliance with this subsection.
- The commission may develop a template that utilities may use to meet the reporting requirements above.
 - The AG or customer may commence civil action for a violation.
 - How the utility decides to set up and administer their program is at their discretion. May do it in-house, or through a 3rd party administrator.

The City must make a decision on which avenue to pursue by the end of March. Staff wanted to provide the Commission with information on the options and would look for a decision on direction at the first March meeting.

10. New Business

F. Michigan Ave. Lift Station Pump Procurement

Staff: Thomas Sikorski

At the July 10th, 2024, meeting the City Commission approved a Progressive Design Build (PDB) contract with F&V Construction (FVC) for the design and construction of improvements to Michigan Avenue Pump Station. This project includes decommissioning of the existing pump station, installation of a new station, limited sewer work, a small stretch of water main replacement, and associated street replacement.

For those unfamiliar, the PDB process utilized for this project allows the City to control costs and improve the project outcome by participating directly in both design and construction decisions. Staff work together with FVC staff collaborating on important decisions for the long-term reliability of the pump station. By using FVC as the Design-Builder, the City has a single point of responsibility while still maintaining direct involvement throughout the PDB process. The project is broken down into two steps; first the design phase of the project, the cost of which was approved last July. The second step is the construction phase; FVC receives a percentage of the construction contract, and the construction bids will be presented for approval by the City as a change order to the original contract approved in July.

Currently FVC has completed design and submitted construction permits through the Department of Environment, Great Lakes, and Energy (EGLE) before letting the entire project to bid. However, the pumping system and control panel for the project are key components and lead times for these items make timely purchase important to keep the project on schedule. The City has standardized these systems across all sanitary sewer pump stations and thus they represent sole-source items for the project. With this in mind, FVC has received a quote for these items from Kennedy Industries.

Change Order No. 2 to the FVC contract requests authorization to purchase the equipment prior to the project bidding and trade contracts being finalized; as stated above, this will improve the overall delivery schedule of the equipment.

Total cost of Change Order No. 2, including FVC overhead and profit on the purchase, is \$166,730.00. The FY 2024-2025 capital budget has \$1,500,000.00 budgeted for the project's completion. A budget and cost spreadsheet for the project is included in your packet.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY Change Order No. 2 with F&V Construction for pumping system and control panel equipment in the amount of one hundred and sixty-six thousand, seven hundred and thirty dollars (\$166,730.00) as presented.

Information Included in Packet:

1. Project Change Order No. 2
2. Michigan St. Lift Station Budget and Costs Spreadsheet

10. New Business

G. Mower Purchases

Staff: Thomas Sikorski

Included as part of the FY 2024-2025 motor vehicle fund capital expenditure budget was the purchase of a 144" zero-turn mower. As the City's greenspace contracts come to their final season, City staff has been evaluating the sustainability of continuing to contract greenspace mowing versus returning to mowing additional properties in-house. As staff continues this evaluation, they are looking at things like out-of-the box thinking, adjustments to mowing schedules, changes in staff utilization, and providing appropriate department equipment that will be essential for this shift in workload to be productive.

This past summer, staff assessed different equipment types and models. Staff tested several different mower types, including a 144" zero-turn, a 72" stand-up, and a 62" autonomous mower. The units were tested at Franks Park and Spence Field. While the autonomous mower was futuristic and provided straight-lines, it was not practical for use on any of the City's greenspaces. The unit required continuous connectivity to the cloud, required a monthly service subscription, continuous human monitoring, and did not provide any efficiencies. The stand-up mower provided increased visibility, efficiencies, and mobility; however, staff were not supportive of the unit.

The other mower evaluated was an ExMark zero-turn with a 144" deck. Utilizing this mower in a test case, staff were able to mow Spence Complex in under one hour and Franks Park in under two hours. This normally takes three mowers over three hours to complete. Staff estimates increased production efficiency, reducing mow time at Franks Park alone by three hours per week, 81 manhours saved over the mowing season.

If approved, there are several sites which staff would intend to use this unit on, which include: Franks Park, Spence Complex, Kirsch Municipal Airport (finish-mowing area), Progress St. retention basin, Memorial Park, Thurston Woods, Wall Fields, Langrick Park, the Doyle Center, Sturgis Bark Park, and potentially others.

Steensma Lawn and Power Equipment provided Omnia contract pricing for one Exmark LZS86TDYM 144" zero-turn in the amount of \$67,494.00. Included in your packet is the equipment quote and a product brochure. The budgeted amount for this unit in FY 2024-2025 was \$68,000.00. Omnia was approved as a group purchasing alternative to bidding by the Commission at the October 23rd, 2024, City Commission meeting.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the purchase of an Exmark 144 wide area zero-turn mower from Steensma Lawn and Power Equipment in the amount of sixty-seven thousand, four hundred ninety-four dollars (\$67,494.00), as presented.

Information Included in Packet:

1. Quote for Exmark 144 wide area zero-turn mower
2. Exmark 144" Mower Information

10. New Business

H. Enterprise Truck Leases

Staff: Thomas Sikorski

At the October 9th, 2024, meeting the Commission approved leasing twelve of the fifteen vehicles included in the FY 2024-2025 budget as part of the City's partnership with Enterprise Fleet Management (EFM). At the time, staff indicated that the three remaining vehicles would be quoted and brought back to the Commission, and those quotes are now completed.

Included in your packet is an updated list of vehicles being leased as part of the EMF program this fiscal year. The EMF program is designed to reduce overall fleet costs over time using efficient life cycle management and maximizing resale value. The vehicles listed in green were previously approved, ordered, and are either received or in the build queue. The vehicles listed in yellow are those under consideration at this meeting, and include:

- RAM 1500 Tradesman 4x4 Quad Cab for the Facility Manager
- Ford F-250 XL 4x4 Crew Cab which serves as a DPS service truck
- Ford F-250 XL 4x4 Super Cab for the Parks/Cemetery Department

The total lease cost for the three vehicles up for approval is \$32,946.60, less \$46,448.00 in projected resale value for a net resale income of \$13,501.40 for these three vehicles this year.

The FY 2024-2025 Motor Vehicle budget identified a total vehicle lease cost (net of resale) of \$91,671.00; the budget line item included \$100,000.00. As shown on the included spreadsheet, with these three purchases, the total vehicle lease cost for this year is \$75,097.41, approximately \$25,000.00 under budget.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the replacement of three vehicles via lease and disposal with Enterprise Fleet Management as presented.

Information Included in Packet:

1. 2025 EFM Budget Spreadsheet

10. New Business

I. Airport ALP

Staff: Thomas Sikorski

As part of Federal Aviation Administration (FAA) and Michigan Department of Transportation Aeronautics (MDOT Aero) guidelines, airports must periodically update their Airport Layout Plan (ALP). This plan includes items such as an FAA Airport Airspace Analysis Survey for all surfaces (runways, taxiways, etc.), updating and incorporating the obstacle data, and reviewing future uses and plans at the airport. Ultimately, it creates a Master Plan-like document for the airport to reference and is utilized for many elements of airport operations, including grant-funded projects.

Work on the ALP has been budgeted for the current year both by the City and through MDOT Aero as part of Bipartisan Infrastructure Law (BIL) funding available to Kirsch Municipal Airport.

ALP projects funded through MDOT Aero are undertaken by the Airport's engineering firm, which is selected through an RFP process every five years. The City's engineering firm is Mead and Hunt who was most recently approved for selection by the Commission in August of 2024. Contract pricing is reviewed for competitiveness through a process overseen by MDOT Aero.

At the August 28th, 2024 meeting the City Commission approved a contract with Mead and Hunt to collect preliminary data to undertake the ALP study for Kirsch Municipal Airport (IRS). That work authorized the collection of IRS aerial and LIDAR data while staff was awaiting a final grant contract from MDOT Aero. This work was \$15,000.00 and will be reimbursed as part of the BIL grant.

Included in your packet is Amendment #1 to the contract approved in August with Mead and Hunt. The purpose of this amendment is to fully execute the remainder of the ALP contract for work to be completed this spring. The total project cost for the ALP, as reviewed and approved by MDOT Aero is \$326,285.66; this includes

the preliminary data cost of \$15,000.00 as well as the cost of Amendment #1 of \$311,285.66.

Also included in your packet is the BIL Grant contract with MDOT Aero for the project. As part of this grant agreement, the City is required to pay 5% of the total project cost, which includes the Mead and Hunt fee plus a \$6,500.00 independent fee analysis reimbursement to the City (the City paid this cost up-front as part of the contract pricing review). The City's total cost of the project will be \$16,640.00. The FY 2024-2025 budget has \$33,000.00 budgeted for the ALP project.

City staff signed the grant contract with MDOT Aero in November of 2024 when the contract was received. Typically, MDOT Aero requires and acquires City Commission approvals for these types of grant contracts. While the grant contract was only to the City's benefit, to ensure approval is on the record, we are asking the Commission to confirm approval of the grant agreement with MDOT Aero as well as approve the contract with Mead and Hunt.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY the Michigan Department of Transportation Bipartisan Infrastructure Law Agreement Number 2024-0847 with MDOT Aeronautics as presented and AUTHORIZE Airport Manager Tom Sikorski to sign all necessary documents.

Proposed Motion:

Move that the Sturgis City Commission APPROVE/DENY Amendment #1 to the contract with Mead and Hunt for the ALP Update at Kirsch Municipal Airport in the amount of three hundred and eleven thousand, two hundred and eighty-five dollars and sixty-six cents (\$311,285.66) as presented and AUTHORIZE City Manager Andrew Kuk to sign all necessary documents.

Information Included in Packet:

1. Mead and Hunt Amendment #1
2. MDOT Aero BIL Grant Agreement

10. New Business

J. Board Appointments

Staff: Kenneth Rhodes

There is currently one vacancy on the Cemetery Board and the EDC/BRA Board. There are also four vacancies on the SYCA Board, with three of the resignations accepted at the previous City Commission meeting. All of the vacancies have been advertised.

For the Cemetery Board, there is one application from Amy Hackman, who is the wife of funeral director Greg Hackman.

For the EDC/BRA Board, there is one application from Aaron Miller who previously served on the Board as the City Commission representative.

For the SYCA Board, there are eight applications. At their last meeting, the SYCA Board reviewed the applications of Bennet Ahrens, Elizabeth Denman, Danica Facchinello, and Mary Franks. They recommended only three applicants, Mr. Ahrens, Ms. Denman, and Ms. Franks; the resignation of Liz Whitehead did not occur until after their meeting. After their last meeting, applications were received from Stacy Gagnon, Karel Gundlach, Ronald Gundlach and Kristi Smith. It is the intent of the SYCA Board to review these additional applications at their next meeting and provide a recommendation for the fourth vacancy.

Proposed Motion:

Move that the Sturgis City Commission APPOINT _____ to the Cemetery Board.

Move that the Sturgis City Commission APPOINT _____ to the EDC/BRA Boards.

Move that the Sturgis City Commission APPOINT/NOT APPOINT _____ to the SYCA Board.

Noteworthy Meetings / Events

- Cushman & Wakefield/Clark Logic Open House | January 23rd
- Ribbon Cutting | Gina's Healing Hands Day Spa | January 24th
- Chamber Board Meeting | January 28th
- Kiwanis Club Presentation | January 29th
- Cemetery Board Meeting | February 3rd
- B3 Meeting | February 4th
- DDA Meeting | February 5th

Upcoming Events

- Ladies Night Out | Downtown | 5:30pm-9pm | February 7th
- SYCA First Fridays Karaoke | 8pm | February 7th
- Sturgis Area Community Foundation Business After Hours | 214 W. Chicago Rd. | 5pm-7pm | February 12th
- SYCA Cinema Circle – Grease | 7pm | February 13th
- Water Street Dance | SYCA | 7:30pm | February 15th
- Date with Dad | Doyle | 6pm-8pm | February 21st
- Wind Symphony | SYCA | 3pm | March 2nd
- Art Auction & Winter Wine Down | Downtown | 5:30pm-9pm | March 21st

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 8A

**REGULAR MEETING - STURGIS CITY COMMISSION
WEDNESDAY, JANUARY 22, 2025
WIESLOCH RAUM – CITY HALL**

Mayor Perez called the meeting to order at 6:00 p.m.

The Pledge of Allegiance was said by all present.

The Invocation was given by Comm. Moyer.

Commissioners present: Mullins, Boring, Moyer, Smith, Harrington, Abbs, Miller, Vice-Mayor Bir, Mayor Perez

Commissioners absent: None

Also present: City Attorney, City Manager, City Controller, City Engineer, Facilities Manager, Community Development Director, City Clerk

Moved by Comm. Harrington and seconded by Comm. Smith to approve the agenda as presented with the addition of 10F.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Harrington and seconded by Comm. Smith to approve the Consent Agenda of January 22, 2025 as presented.

8A. Action of Minutes of Previous Meetings

APPROVE the minutes from the January 8, 2025 regular meeting as presented.

B. Pay Bills

- AUTHORIZE the payment of the City bills in the amount of \$1,557,233.49 as presented.

C. Match on Main Participation

- APPROVE participation in the Match on Main program for 2025.

D. Board Resignations

- ACCEPT the resignations of Cathi Abbs, Paul Martin, and Liz Whitehead from the Sturges-Young Center of the Arts Board and SEND letters of recognition for their service.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Barry Cox provided information on setting the Public Hearing for Jerolene Street sidewalk assessments. Discussion followed.

Moved by Comm. Harrington and seconded by Comm. Smith to set a Public Hearing of Assessment for the E. Jerolene Street New Sidewalk Assessment District #2020-02 for the February 26, 2025 City Commission meeting.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Harrington and seconded by Comm. Smith to set a Public Hearing of Assessment for the E. Jerolene Street Sidewalk Repair Assessment District #2020-03 for the February 26, 2025 City Commission meeting.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Barry Cox provided information on a request to vacate a portion of North Fourth Street. Discussion followed.

Moved by Comm. Abbs and seconded by Comm. Smith to approve the resolution to vacate a portion of N. Fourth Street, as presented and set a public hearing for the February 26, 2025 City Commission meeting.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Engineer Barry Cox provided information on the bids received for replacement of lead service lines on Clay and Park streets. Discussion followed.

Moved by Comm. Harrington and seconded by Comm. Smith to approve the bid from Parrish Excavating, Inc. for the N. Clay & N. Park Street Lead Service Line Replacement Project in the amount of three hundred and forty-nine thousand, nine hundred and twenty-three dollars (\$349,923.00) and authorize the City Manager to sign contract documents on behalf of the City.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Harrington and seconded by Comm. Smith to approve the Proposal for Professional Services with Fishbeck, Inc. for construction phase services on the N. Clay and N. Park Street Lead Service Line Replacement Project in the amount of sixty thousand, five hundred and sixty-four dollars (\$60,564.00) as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Harrington and seconded by Comm. Smith to approve a contingency budget for the N. Clay and N. Park Street Lead Service Line Replacement Project in the amount of thirty-five thousand dollars (\$35,000.00).

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Community Development Director Will Prichard necessary easements related to the solar project on South Centerville Road. Discussion followed.

Moved by Comm. Abbs and seconded by Comm. Smith to approve the utility and access document with GB Landco, LLC for parcel 052-777-450-00 and 052-777-451-00 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Abbs and seconded by Comm. Smith to approve the utility and access easement document with Electric City Holdings, LLC for parcel 052-777-452-00 as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

Moved by Comm. Abbs and seconded by Comm. Smith to approve the termination and release of easement dated April 3, 1966 found at Liber 322, pages 497-499 on record at the St. Joseph County Register of Deeds as presented.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

City Clerk/Treasurer Kenneth Rhodes provided information on the recommendation of the Elected Officials Compensation Commission who recommended a 2.5% annual increase since the last adjustment in 2013. Discussion followed.

Moved by Comm. Mullins and seconded by Comm. Smith to reject the determination of the Elected Officials Compensation Commission.

Voting yea: Mullins

Voting nay: Eight

MOTION DEFEATED

Facilities Manager Dan Root explained that the boiler, which was scheduled for replacement in the Spring, has completely failed. Contact was made with Trane, the existing equipment provider, and Fawn River Mechanical for immediate solutions. Fawn River Mechanical was able to quote a replacement which could be installed within a week and for an amount much lower than the budgeted amount.

Moved by Comm. Miller and seconded by Comm. Smith to approve the emergency purchase and installation of a boiler unit for the Sturges-Young Center for the Arts from Fawn River Mechanical as presented and authorize City Staff to purchase a second unit at the quoted price.

Voting yea: Nine

Voting nay: None

MOTION CARRIED

The meeting was adjourned at 6:57 p.m.

Kenneth D. Rhodes, City of Sturgis Clerk/Treasurer

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 8B

Accounts Payable Bill Proof - CITY OF STURGIS, MI

Date: 2/12/2025 Month: 05

Date	Check#	Vendor	VendorName	Amount
01/17/2025	PR0654M	00061	CITY OF STURGIS PAYROLL	344,925.84
01/31/2025	PR0655M	00061	CITY OF STURGIS PAYROLL	343,014.81
01/17/2025	T17375M	00062	CITY OF STURGIS-EMPLOYEE INS	79,446.60
01/17/2025	T17376M	00063	CITY OF STURGIS TAX TRANSFER	19,118.69
01/17/2025	T17377M	00064	INTL CITY MGMT ASSOC RETR CORP	10,422.59
01/17/2025	T17378M	00065	DOYLE MEMBERSHIP TRANSFER	2,857.39
01/17/2025	T17379M	03229	CITY OF STURGIS-WORKERS COMP	3,356.83
01/17/2025	T17380M	05123	COMERICA BANK-INST TRUST SERV	35,454.43
01/17/2025	T17381M	05588	ALERUS FINANCIAL/MERS TRANSFER	3,276.38
01/31/2025	T17382M	04389	FRONTIER COMMUNICATIONS A	122.20
01/20/2025	T17383M	04197	MI PUBLIC POWER AGENCY	246,212.40
01/15/2025	T17384M	05875	ALERUS FINANCIAL/MERS-STIPEND	2,700.00
02/04/2025	T17385M	00197	CITY OF STURGIS UTILITIES	20,921.85
02/12/2025	T17386M	00197	CITY OF STURGIS UTILITIES	14,507.69
01/17/2025	T17387M	00321	STATE OF MICHIGAN	8,457.20
01/16/2025	T17388M	01127	STATE OF MICHIGAN	256.93
01/27/2025	T17389M	04197	MI PUBLIC POWER AGENCY	257,702.07
01/17/2025	T17390M	04088	BLUE CROSS BLUE SHIELD OF MI	18,414.50
01/24/2025	T17391M	04088	BLUE CROSS BLUE SHIELD OF MI	139,823.59
01/27/2025	T17392M	06093	PEPSI BEVERAGES COMPANY	329.21
02/01/2025	T17393M	04088	BLUE CROSS BLUE SHIELD OF MI	24,164.80
02/05/2025	T17394M	03770	MICHIGAN GAS UTILITIES	48.76
02/05/2025	T17395M	03770	MICHIGAN GAS UTILITIES	266.17
02/20/2025	T17396M	00197	CITY OF STURGIS UTILITIES	10,185.29
02/20/2025	T17397M	00197	CITY OF STURGIS UTILITIES	7,038.99
02/12/2025	T17398M	04389	FRONTIER COMMUNICATIONS A	62.51
02/12/2025	T17399M	04389	FRONTIER COMMUNICATIONS A	26.08
02/12/2025	T17400M	04389	FRONTIER COMMUNICATIONS A	330.92
02/12/2025	T17401M	04389	FRONTIER COMMUNICATIONS A	735.24
02/12/2025	T17402M	04389	FRONTIER COMMUNICATIONS A	586.42
02/11/2025	T17403M	03770	MICHIGAN GAS UTILITIES	1,570.25
02/11/2025	T17404M	03770	MICHIGAN GAS UTILITIES	261.84
02/12/2025	T17405M	03770	MICHIGAN GAS UTILITIES	2,011.48
02/12/2025	T17406M	03770	MICHIGAN GAS UTILITIES	50.28
02/10/2025	T17407M	04421	AT&T MOBILITY	845.35

Accounts Payable Bill Proof - CITY OF STURGIS, MI

Date: 2/12/2025 Month: 05

02/13/2025	T17408M	04389	FRONTIER COMMUNICATIONS A	62.20
02/03/2025	T17409M	04197	MI PUBLIC POWER AGENCY	299,175.39
02/01/2025	T17410M	03951	SOUTHERN MICHIGAN BANK & TRUST	5,277.77
02/01/2025	T17411M	03951	SOUTHERN MICHIGAN BANK & TRUST	1,658.42
02/01/2025	T17412M	00449	CENTURY BANK & TRUST	6,221.68
02/01/2025	T17413M	06138	MUTUAL OF OMAHA INSURANCE CO	5,465.13
02/01/2025	T17414M	06290	MEDPRO WASTE DISPOSAL LLC	27.56
01/31/2025	T17415M	00062	CITY OF STURGIS-EMPLOYEE INS	80,363.25
01/31/2025	T17416M	00063	CITY OF STURGIS TAX TRANSFER	19,182.02
01/31/2025	T17417M	00064	INTL CITY MGMT ASSOC RETR CORP	10,267.84
01/31/2025	T17418M	00065	DOYLE MEMBERSHIP TRANSFER	2,778.04
01/31/2025	T17419M	03229	CITY OF STURGIS-WORKERS COMP	3,302.35
01/31/2025	T17420M	05123	COMERICA BANK-INST TRUST SERV	35,031.31
01/31/2025	T17421M	05588	ALERUS FINANCIAL/MERS TRANSFER	3,258.39
02/18/2025	T17422M	04389	FRONTIER COMMUNICATIONS A	604.00
02/11/2025	T17423M	02909	CHARTER COMMUNICATIONS	781.88
02/20/2025	T17424M	03770	MICHIGAN GAS UTILITIES	959.74
02/20/2025	T17425M	03770	MICHIGAN GAS UTILITIES	120.27
02/21/2025	T17426M	04389	FRONTIER COMMUNICATIONS A	57.60
02/18/2025	T17427M	04389	FRONTIER COMMUNICATIONS A	279.47
02/21/2025	T17428M	03770	MICHIGAN GAS UTILITIES	446.91
02/21/2025	T17429M	03770	MICHIGAN GAS UTILITIES	27,741.04
02/21/2025	T17430M	03770	MICHIGAN GAS UTILITIES	2,524.58
Manual Total				2,105,092.42
02/12/2025	251049	00850	ACE-TEX ENTERPRISES / DEPT#430	343.91
02/12/2025	251050	00066	ACTION QUICK PRINT PLUS	389.00
02/12/2025	251051	03382	AGILE SAFETY LLC	371.02
02/12/2025	251052	00002	ALL-PHASE ELECTRIC SUPPLY	285.99
02/12/2025	251053	05103	BRIDGETTE ALLEY	250.00
02/12/2025	251054	05986	ALPHA BUILDING CENTER-NOTTAWA	606.95
02/12/2025	251055	05861	ALRO STEEL	369.50
02/12/2025	251056	06119	AMAZON.COM SALES INC	5,606.95
02/12/2025	251057	00041	ANGELA MAYER	36.00
02/12/2025	251058	05224	ANIXTER INC	332.43
02/12/2025	251059	03576	ARROW SERVICES INC	83.00
02/12/2025	251060	02292	ASPLUNDH TREE EXPERT CO	15,181.40
02/12/2025	251061	05719	BAKER'S BODY SHOP LLC	14,911.37

Accounts Payable Bill Proof - CITY OF STURGIS, MI

Date: 2/12/2025 Month: 05

02/12/2025	251062	04776	BARONE HARDWARE & AUTO	296.82
02/12/2025	251063	06117	BENITA ANN LEWIS	45.00
02/12/2025	251064	00072	BIRD, SCHESKE, REED & BEEMER,	9,808.50
02/12/2025	251065	05080	BOBILYA CHRYSLER DODGE JEEP	1,745.00
02/12/2025	251066	06585	BOFA INC	598.70
02/12/2025	251067	00006	BOLAND TIRE INC	3,168.01
02/12/2025	251068	03327	BOUND TREE MEDICAL LLC	1,341.13
02/12/2025	251069	00138	BS & A SOFTWARE	2,946.00
02/12/2025	251070	03343	BYLER ELECTRIC INC	2,089.00
02/12/2025	251071	05125	CANNON TECHNOLOGIES	5,889.52
02/12/2025	251072	00364	CAROL DUSTIN	625.00
02/12/2025	251073	03681	CHUCKS AUTO SERVICE LLC	75.00
02/12/2025	251074	00296	CHYANN L WOODS	26.38
02/12/2025	251075	01323	CITY OF COLDWATER	1,336.30
02/12/2025	251076	06296	CIVICPLUS LLC	5,077.80
02/12/2025	251077	05412	CLEANCHEM	1,065.00
02/12/2025	251078	06325	COTTIN'S HARDWARE	140.81
02/12/2025	251079	06158	CULLIGAN WATER OF STURGIS	100.00
02/12/2025	251080	02005	DELL MARKETING LP	3,847.58
02/12/2025	251081	03109	DOWNTOWN DEVELOPMENT AUTHORITY	600.00
02/12/2025	251082	00160	DURY OIL CO	98.55
02/12/2025	251083	06361	ECOLAYERS INC	775.00
02/12/2025	251084	06062	ELECTIONSOURCE	2,214.75
02/12/2025	251085	00166	ELHORN ENGINEERING CO	3,106.00
02/12/2025	251086	00578	EMCOR SERVICES SHAMBAUGH	1,105.00
02/12/2025	251087	06244	EMERGENCY VEHICLES PLUS	690.10
02/12/2025	251088	04955	ENVIRO-CLEAN	6,158.00
02/12/2025	251089	05745	ERICA VARGAS SARCO	120.00
02/12/2025	251090	06343	ERIN MELCHI BAKER	90.00
02/12/2025	251091	00169	FASTENAL COMPANY	46.66
02/12/2025	251092	05151	FAWN RIVER MECHANICAL LLC	110.00
02/12/2025	251093	05490	FERGUSON WATERWORKS #3386	5,136.05
02/12/2025	251094	00776	FLEIS & VANDENBRINK	39,969.50
02/12/2025	251095	06287	FOCAL POINT STUDIOS	6,000.00
02/12/2025	251096	04389	FRONTIER COMMUNICATIONS A	7,498.78
02/12/2025	251097	02082	GECKO SECURITY LLC	460.00
02/12/2025	251098	01403	GEORGE EARL	100.00

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02/12/2025	251099	06590	GEORGE EBERT	200.00
02/12/2025	251100	00183	GRAINGER INC	522.94
02/12/2025	251101	04243	GRP ENGINEERING INC	19,700.73
02/12/2025	251102	06610	HARBOR FREIGHT	704.97
02/12/2025	251103	05586	MARY M HAYLETT	50.00
02/12/2025	251104	04922	HUTSON ASSESSING INC	8,248.04
02/12/2025	251105	03515	HYDROCORP	4,840.50
02/12/2025	251106	00296	IAN A MILLARD	100.00
02/12/2025	251107	05522	INTERSTATE BATTERIES-GREAT LKS	544.80
02/12/2025	251108	05171	STUART C IRBY CO	9,040.00
02/12/2025	251109	01101	JANENE KOSMAN	140.00
02/12/2025	251110	06199	JANSEN PLUMBING, HEATING &	944.60
02/12/2025	251111	06314	JODIE M JOHNSON	40.00
02/12/2025	251112	06217	JOHN J FLOWERS	150.00
02/12/2025	251113	05634	JOHN PARKS	15.00
02/12/2025	251114	05634	KATE PERCIVAL	97.33
02/12/2025	251115	06482	KENDRICK STATIONERS	678.49
02/12/2025	251116	00581	KRONTZ GENERAL MACHINE & TOOL	1,101.00
02/12/2025	251117	00212	KSS ENTERPRISES	876.94
02/12/2025	251118	06489	LAKE ACCESS MEDIA LLC	395.00
02/12/2025	251119	04039	LAKELAND ASPHALT CORP	2,289.28
02/12/2025	251120	05977	LAKELAND INTERNET LLC	106.94
02/12/2025	251121	06464	LRS LLC	1,479.93
02/12/2025	251122	06250	MARANA GROUP	5,370.84
02/12/2025	251123	03095	MARY DRESSER	190.00
02/12/2025	251124	01391	MCLEAN ENGINEERING	15,506.00
02/12/2025	251125	00635	MCMASTER-CARR SUPPLY COMPANY	165.16
02/12/2025	251126	00585	MI ASSOC OF CHIEFS OF POLICE	355.00
02/12/2025	251127	01192	MICHIGAN MUNICIPAL ELE ASSOC	16,866.00
02/12/2025	251128	01641	MICHIGAN RURAL WATER ASSOC	240.00
02/12/2025	251129	05121	MICKEY'S LINEN	369.60
02/12/2025	251130	04014	MILLERS SALES & SERVICE	386.58
02/12/2025	251131	05051	MILSOFT UTILITY SOLUTIONS	507.13
02/12/2025	251132	00245	MOSTROM & ASSOC INC	1,950.00
02/12/2025	251133	06575	MUSIC EXPRESS	1,250.00
02/12/2025	251134	00847	MWEA	1,760.00
02/12/2025	251135	00296	NATHANIEL W MITTLER	15.70

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Date: 2/12/2025 Month: 05

02/12/2025	251136	06113	NORTHERN TOOL & EQUIPMENT	297.73
02/12/2025	251137	06491	ONLINE INFORMATION SERVICES	137.09
02/12/2025	251138	05042	PLANT GROWTH MANAGEMENT SYSTEM	5,888.00
02/12/2025	251139	00485	POWER LINE SUPPLY	13,153.09
02/12/2025	251140	04251	RAI JETS LLC	1,260.00
02/12/2025	251141	00035	RESCO	22,272.50
02/12/2025	251142	06038	REVOLUTION HEALTH, P.C.	294.00
02/12/2025	251143	06465	RIGHT STUFF SOFTWARE CORP	22,200.00
02/12/2025	251144	05682	ROBERT TAYLOR	150.00
02/12/2025	251145	00296	ROCK REALTY AND AUCTIONS INC	69.10
02/12/2025	251146	05765	SELKING INTERNATIONAL	1,302.17
02/12/2025	251147	05168	SLS PRODUCTION SERVICES LLC	8,705.25
02/12/2025	251148	06483	SONIT SYSTEMS LLC	53,266.45
02/12/2025	251149	00707	SPORTSARAMA INC	168.00
02/12/2025	251150	00505	STATE OF MICHIGAN	5,462.00
02/12/2025	251151	00024	STATE OF MICHIGAN - MDOT	16,640.00
02/12/2025	251152	00024	STATE OF MICHIGAN - MDOT	548.05
02/12/2025	251153	00488	STATE SYSTEMS RADIO INC	195.00
02/12/2025	251154	00296	STAYDRY HOME SERVICES	60.00
02/12/2025	251155	03214	STRYKER	1,999.23
02/12/2025	251156	06487	STURGIS ACE HARDWARE	911.68
02/12/2025	251157	01458	STURGIS AREA CHAMBER	250.00
02/12/2025	251158	00936	STURGIS COMMUNITY POOL	215.00
02/12/2025	251159	00101	STURGIS NEIGHBORHOOD PROGRAM	5,033.33
02/12/2025	251160	00841	STURGIS TOWING & RECOVERY	185.00
02/12/2025	251161	04140	SWICK BROADCASTING COMPANY	550.00
02/12/2025	251162	06281	T MOBILE USA INC	424.69
02/12/2025	251163	06609	TAKTICAL WILDLIFE & RODENT	500.00
02/12/2025	251164	06107	TALIA YEOMAN	245.00
02/12/2025	251165	06479	THE LAB TRAINING CENTER LLC	780.00
02/12/2025	251166	05777	TRACE ANALYTICAL LABORATORIES	3,526.50
02/12/2025	251167	06426	TRACY LIVELY LLC	40.00
02/12/2025	251168	05686	TRI-STATE SECURITY LKSMITH LLC	408.50
02/12/2025	251169	01247	TRUCK & TRAILER SPECIALTIES	1,597.92
02/12/2025	251170	04233	TUCKEY MOTOR SPORTS	900.00
02/12/2025	251171	05634	TURNER ASTAMANTE-SLAUGHTER	422.94
02/12/2025	251172	04714	ULINE	157.22

Accounts Payable Bill Proof - CITY OF STURGIS, MI

Date: 2/12/2025 Month: 05

02/12/2025	251173	06247	UNCONVENTIONAL SOLUTIONS INC	704.38
02/12/2025	251174	01238	UNITED PARCEL SERVICE	22.97
02/12/2025	251175	06150	UNITED WHOLESALE GROCERY	424.58
02/12/2025	251176	03331	UTILITIES INSTRUMENTATION SERV	6,594.00
02/12/2025	251177	05659	WARNER OIL COMPANY	3,766.95
02/12/2025	251178	03511	WASTE MANAGEMENT	1,846.02
02/12/2025	251179	06608	WATER STREET DANCE MILWAUKEE	8,000.00
02/12/2025	251180	04994	W MICHIGAN INTERNATIONAL LLC	42.52
02/12/2025	251181	00016	WILLIAM A HICKMAN	740.00
02/12/2025	251182	00296	WILLOW MN WEBSTER	6.74
02/12/2025	D02523	04732	ALTA EQUIPMENT COMPANY	744.72
02/12/2025	D02524	00335	ALTEC INDUSTRIES, INC.	12,576.59
02/12/2025	D02525	00340	AMERICAN SAFETY & FIRST AID	123.77
02/12/2025	D02526	05462	AUTOZONE STORES LLC	73.51
02/12/2025	D02527	01213	BISBEE INFRARED SERVICES INC	500.00
02/12/2025	D02528	04066	BORDEN WASTE-AWAY SERVICE INC	6,403.19
02/12/2025	D02529	00077	CARQUEST AUTO PARTS	25.06
02/12/2025	D02530	02983	CINTAS LOCATION #351	1,873.98
02/12/2025	D02531	06505	GALLS LLC	884.11
02/12/2025	D02532	00157	JACK DOHENY COMPANIES INC	496.89
02/12/2025	D02533	03944	LINDE GAS & EQUIPMENT INC	73.30
02/12/2025	D02534	06026	MID-CITY SUPPLY CO INC	165.06
02/12/2025	D02535	06069	NAPA AUTO PARTS	1,830.31
02/12/2025	D02536	05932	O'REILLY AUTO ENTERPRISES LLC	628.81
02/12/2025	D02537	00479	PEERLESS-MIDWEST INC	5,100.00
02/12/2025	D02538	03091	PRIME QUALITY ELECTRIC LLC	9,700.64
02/12/2025	D02539	05099	TARGETSOLUTIONS LEARNING	2,799.56
02/12/2025	D02540	06125	THE COPY IMAGE INC	1,472.89
Automatic Total				488,301.95
Grand Total				2,593,394.37

PAYROLL DISBURSEMENT
FOR PAYROLL ENDING 01/12/2025
PR0654M PAYROLL DATE 01/17/2025

GENERAL	\$163,600.73
MAJOR STREET	8,050.07
LOCAL STREET	8,503.76
CEMETERY	3,728.03
AIRPORT	639.07
BUILDING	3,577.72
HOUSING DEPARTMENT	0.00
STURGES-YOUNG CENTER FOR THE ARTS	6,198.77
RECREATION	2,162.93
DOYLE RECREATION CENTER	11,651.57
AMBULANCE	14,852.09
ELECTRIC	87,419.52
SEWER	17,644.57
WATER	12,581.37
MOTOR VEHICLE	4,315.64
Payroll Sub-Total	\$344,925.84

PAYROLL DISBURSEMENT
FOR PAYROLL ENDING 01/26/2025
PR0655M PAYROLL DATE 01/31/2025

GENERAL	\$156,622.80
MAJOR STREET	9,223.52
LOCAL STREET	10,071.34
CEMETERY	4,462.30
AIRPORT	384.92
BUILDING	3,598.01
HOUSING DEPARTMENT	0.00
STURGES-YOUNG CENTER FOR THE ARTS	6,028.22
RECREATION	3,694.13
DOYLE RECREATION CENTER	10,286.87
AMBULANCE	13,507.81
ELECTRIC	91,321.43
SEWER	16,458.34
WATER	14,409.21
MOTOR VEHICLE	2,945.91
Payroll Sub-Total	\$343,014.81

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10A

Article/Section	Summary of Proposed Amendments
Throughout	
	• Change Contractors' Office to Contractor Office throughout.
These changes are indicated in GREEN	•Included Existing Housing in all zoning districts as a permitted use.
	•Included Reasonable Accomodation use in all districts.
	•In all regulated uses tables, add the word " Detailed " next to supplemental for more clarity for the end user.
	•Removed [] where found from previous versions.
1.0202. Definitions	
	•Moved " Political Sign " definition to be listed under Sign definition.
	•Updated illustration of Basement definition.
	• Retail Sales and Retail Services. Cleaned up definition to include that upto 10% of gross floor area may be used for manufacturing, assembly or packaging.
1.0400. Table of Permitted Uses	•Added " High Density Apartments " back to R-4. Inadvertantly removed through reformatting.
	•Move subsections on table to be listed at bottom rather than each type of use.
	•In R-1, added Foster Family Group Home and Foster Family Home as P.
	• Existing housing was added as a permitted use in all districts.
	•Separated Day Care uses in the PDD-1 zoning district. It was listed all together.
	• One family dwellings were listed twice in the table.
	•Removed general line regarding day care type uses in PDD-1 and listed separate.
	•Included Accessory Retail Sales in M-2 zoning district.
	•Add " Automobile Service Station " as a SLU.
	•Combined the 2 " Outdoor Sales Area " uses.
	•Combined the 2 Child care centers or day care centers uses.
	•Combined the 2 " Sidewalk Cafes " uses.
	•Added drive through use where fast food restaurants are permitted as SLU in BN an BC.
	•Removed Marihuana uses from M-2 district.
	•Added Ministorage to M-2 district.
	•Added Small Wine Makers in B-N district as SLU.
	•Included Technology Centers in M zoning district.
	•Changed context from Trade schools to schools, business.

1.0404 (C) Special Land Uses	•Added High Density Apartments as SLU.
1.0407 Table	•Change language to read better that the area of canopy signs shall be included with walls signs and not exceed the amount permitted for wall signs.
1.0408 (B) Permitted Uses	•Added Drive through use where fast food restaurants are permitted as Permitted in BH1.
1.0409 (B) Permitted Uses	•Added Drive through use where fast food restaurants are permitted as Permitted in BH2.
1.0410 (B) Permitted Uses	•Added Laundry and Dry Cleaning, Printing and Publishing, Research and Development, School Business, and Technology Centers as permitted uses.
1.0410 (C) Special Land Uses	•Added Automobile Service Stations, Equipment Servicing Outdoor, Ministorage, and Warehousing Distribution as SLU.
1.0411 (B) Permitted Uses	•Add the Accessory retail use as a permitted use.
1.0411 (C) Special Land Uses	•Added Automobile Repair, Minor and Major, Equipment Servicing Outdoor,Ministorage, and Distribution Warehousing as SLU.
1.0603 (VV)	•Included NFPA 855 as standard for Large Battery Energy Storage Systems .
1.1123 Dwelling Unit Review	•A couple of grammar corrections. He changed to they. Changed homes to dwellings.
Article IV - Description of Districts and Article IX- Off Street Parking and Loading Requirements.	•Parking Standards updated throughtout where necessary.
The areas that are shown highlighted in Blue/Green/Yellow are amendment since City Commission approval in December.	

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10B

Battery Energy Storage System Financial Summary

Year	Cost		Savings		Ancillary Service Revenue Sharing	Total (Cash)	Total (NPV)
	Contract (Prism)	Consultant (Dispatch)	Transmission	Capacity			
1 (2026)	(\$1,336,728)	\$0	\$0	\$0	\$1,661,488	\$324,760	\$310,775
2	(\$1,336,728)	(\$420,422)	\$1,216,000	\$886,109	\$1,546,853	\$1,891,813	\$2,043,165
3	(\$1,336,728)	(\$439,213)	\$1,276,800	\$919,263	\$1,570,544	\$1,990,666	\$3,787,579
4	(\$1,336,728)	(\$457,607)	\$1,340,640	\$947,394	\$1,598,954	\$2,092,653	\$5,542,397
5	(\$1,336,728)	(\$477,041)	\$1,407,672	\$977,533	\$1,651,310	\$2,222,746	\$7,326,042
6	(\$1,336,728)	(\$497,347)	\$1,478,055	\$1,008,678	\$1,703,666	\$2,356,324	\$9,135,453
7	(\$1,336,728)	(\$518,155)	\$1,551,958	\$1,038,818	\$1,756,021	\$2,491,914	\$10,966,582
8	(\$1,336,728)	(\$533,675)	\$1,629,556	\$1,038,818	\$1,808,377	\$2,606,348	\$12,799,327
9	(\$1,336,728)	(\$549,970)	\$1,711,034	\$1,038,818	\$1,860,733	\$2,723,886	\$14,632,242
10	(\$1,336,728)	(\$567,081)	\$1,796,586	\$1,038,818	\$1,882,434	\$2,814,028	\$16,444,273
11	(\$1,336,728)	(\$585,046)	\$1,886,415	\$1,038,818	\$1,904,135	\$2,907,593	\$18,235,928
12	(\$1,336,728)	(\$603,911)	\$1,980,736	\$1,038,818	\$1,925,836	\$3,004,751	\$20,007,721
13	(\$1,336,728)	(\$623,718)	\$2,079,772	\$1,038,818	\$1,947,537	\$3,105,681	\$21,760,169
14	(\$1,336,728)	(\$644,516)	\$2,183,761	\$1,038,818	\$1,969,239	\$3,210,574	\$23,493,791
15	(\$1,336,728)	(\$666,353)	\$2,292,949	\$1,038,818	\$1,972,315	\$3,301,000	\$25,199,485
16 (2041)	N/A	(\$481,519)	\$2,407,596	N/A	N/A	\$1,926,077	\$26,151,871
Total	(\$20,050,920)	(\$8,065,573)	\$26,239,529	\$14,088,336	\$26,759,441	\$38,970,814	\$27,267,908

ESS DISCHARGE RIGHTS AGREEMENT

between

The City of Sturgis, MI

as Buyer

and

Electric City ESS LLC

as Seller

dated as of

February , 2025

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Exhibit A	Description of Point of Interconnection and One-Line Diagram
Exhibit B	Description of the ESS Facility
Exhibit C	Construction Milestones
Exhibit D	Form of Consent and Agreement of Collateral Assignment
Exhibit E	Form of Estoppel
Exhibit F	Examples of Performance Guarantee Calculation

ESS DISCHARGE RIGHTS AGREEMENT

This ENERGY STORAGE SYSTEM (“**ESS**”) DISCHARGE RIGHTS AGREEMENT (this “**Agreement**”) is made as of February ___, 2025 (the “**Effective Date**”), by and between **The City of Sturgis, MI**, a public body corporate and politic, formed under the laws of the State of Michigan (“**Buyer**”), and **Electric City ESS LLC**, a Delaware limited liability company (“**Seller**”). Buyer and Seller are each individually referred to herein as a “Party” and collectively as the “Parties”.

WITNESSETH:

WHEREAS, Seller is developing a battery energy storage system facility (as described herein and in Exhibit B) (the “**ESS Facility**”);

WHEREAS, Seller desires to sell, and Buyer desires to purchase and receive, certain dispatch and net revenue rights from the ESS Facility on the terms and conditions set forth herein.

NOW, THEREFORE, the Parties hereto, for good and sufficient consideration, the receipt of which is hereby acknowledged, intending to be legally bound, do hereby agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Definitions

Unless otherwise required by the context in which any term appears: (i) capitalized terms used in this Agreement have the meanings specified in this **Article 1**; (ii) the singular shall include the plural and vice versa; (iii) references to “articles,” “sections,” “schedules,” “annexes,” “appendices” or exhibits” (if any) shall be to Articles, Sections, Schedules, Annexes, Appendices or Exhibits hereof; (iv) all references to a particular entity shall include a reference to such entity’s successors and permitted assigns; (v) the words “herein,” “hereof” and “hereunder” shall refer to this Agreement as a whole and not to any particular section or subsection hereof; (vi) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles in the United States of America, consistently applied; (vii) references to this Agreement shall include a reference to all appendices, annexes, schedules and exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time; and (viii) the masculine shall include the feminine and neuter and vice versa. The Parties collectively have prepared this Agreement, and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this Agreement or any part hereof.

“**Affiliate**” means, with respect to any Person, each Person that directly or indirectly, controls or is controlled by or is under common control with such designated Person. For the purposes of this definition, “control” (including, with correlative meanings, the terms “controlled by” and “under common control with”), as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management, operation and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

“Agreement” has the meaning set forth in the first paragraph hereof.

“Applicable Law” means, with respect to any Person or the ESS Facility, all laws, statutes, codes, acts, treaties, ordinances, orders, judgments, writs, decrees, injunctions, rules, regulations, governmental approvals, licenses and permits, directives and requirements of all Governmental Authorities, in each case applicable to or binding upon such Person or the ESS Facility (as the case may be).

“Back-Up Meter” has the meaning set forth in **Section 4.1(a)**.

“Bankruptcy Event” means, with respect to a Person, that such Person: (a) files a petition or otherwise commences, or authorizes the commencement of, a proceeding or cause under any bankruptcy, insolvency, receivership or similar law for the protection of creditors; (b) has such a petition filed or proceeding commenced against it, which remains undismissed for ninety (90) Days; (c) files an answer or pleading admitting or failing to contest the material allegations of any such petition; (d) takes any action for its winding up, liquidation or dissolution; (e) is otherwise adjudged bankrupt or insolvent under any bankruptcy, insolvency, receivership or similar law for the protection of creditors; or (f) consents to any of the actions described in clauses (a) through (e) of this definition being taken against it.

“Billing Meter” has the meaning set forth in **Section 4.1(a)**.

“Billing Meter Capacity” has the meaning set forth in Exhibit B.

“Business Day” means every Day other than a Saturday or Sunday or any other Day on which banks in the State of Michigan are permitted or required to remain closed.

“Buyer” has the meaning set forth in the first paragraph of this Agreement.

“Buyer’s Dispatch Rights” has the meaning set forth in **Section 2.4**.

“Buyer’s Net Revenue Share” has the meaning set forth in **Section 2.7**.

“Capacity Relevant Hours” has the meaning set forth in **Section 2.15(a)**.

“Charging Energy” means all Energy delivered from Buyer’s Distribution System to the POI for the purpose of charging the ESS Facility, measured at the Billing Meter in MWhs or kWhs

“Claim” has the meaning set forth in **Section 6.1(b)**.

“Commercial Operation” means that the ESS Facility is fully operational at a capacity of not less than [ninety (90%)] of Expected Nameplate Capacity and the ESS Facility is fully interconnected, fully integrated, and synchronized with the Distribution System, and which occurs when all of the following events have occurred:

(i) the ESS Facility has been permanently constructed, synchronized with and has delivered Energy to the Distribution System;

(ii) the Seller's Interconnection Facilities have been completed, and Seller has received a permission to operate letter or similar document from the Distribution Provider;

(iii) Seller has delivered to Buyer a certificate reflecting the insurance coverage or policies required to be carried by Seller by **Section 6.2**.

Seller shall provide written notice to Buyer when the ESS Facility has achieved Commercial Operation and, if Buyer either does not respond within ten (10) Business Days after receiving such notice, or notifies Seller confirming that the ESS Facility has achieved Commercial Operation, then the original date of receipt of Seller's notice shall be the Commercial Operation Date.

"Commercial Operation Date" or "COD" means the Day on which Commercial Operation begins.

"Commercial Operation Milestone Date" means the later of (i) December 31, 2026, and (ii) five hundred thirty (530) days after Seller's receipt of the RUS Authorization, as such date may be extended as provided in this Agreement, including **Section 2.2**.

"Confidential Information" has the meaning set forth in **Section 9.1**.

"Construction Milestone(s)" have the meaning given thereto in **Exhibit C**.

"Contract Price" means an amount equal to One Hundred Eleven Thousand, Three Hundred Ninety-Four Dollars (\$111,394.00) per month. However, if Commercial Operation is declared at a capacity of less than one hundred percent (100%) of Expected Nameplate Capacity, the Contract Price will be adjusted, on a monthly basis until one hundred percent (100%) of Expected Nameplate Capacity has achieved Commercial Operation, to the product of the percentage of Expected Nameplate Capacity that has achieved Commercial Operation as of the first Day of the month that is being billed.

"Contract Year" means each calendar year during the Term, commencing the calendar year in which the COD occurs.

"DAS" means the data acquisition system or system control and data acquisition (SCADA) system that is incorporated into the ESS Facility.

"Day" means a period of twenty-four (24) consecutive hours beginning at 00:00 hours Eastern Time on any calendar day and ending at 24:00 hours Eastern Time on the same calendar day.

"Delivery Period" has the meaning set forth in **Section 2.4**.

"Discharging Energy" means all Energy, measured in MWhs or kWhs, delivered to the POI from the ESS Facility as measured at the Billing Meter. For the avoidance of doubt, all Discharging Energy will have originally been delivered to the ESS Facility as Charging Energy.

"Disclosing Party" has the meaning set forth in **Section 9.1**.

“Dispatch Notice” has the meaning set forth in **Section 2.4**.

“Distribution Provider Interconnection Facilities” means the interconnection facilities, transmission lines, control and protective devices and metering facilities, supplied by Distribution Provider and required to connect the ESS Facility to the Distribution System.

“Distribution Provider” means The City of Sturgis Electric Department, or any successor in interest with respect to the Distribution System.

“Distribution System” means the facilities owned and operated by Buyer through the Distribution Provider for the distribution of electricity to its retail customers.

“Effective Date” has the meaning set forth in the first paragraph of this Agreement.

“Electrical Losses” means all applicable losses defined as any line losses or transformation losses between the Billing Meter and the POI; if applicable.

“Energy” means electric energy in the form of three (3)-phase, sixty (60) Hertz, alternating current.

“Environmental Contamination” means the introduction or presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of federal, state or local laws or regulations, and present a material risk under federal, state or local laws and regulations that the ESS Facility site will not be available or usable for the purposes contemplated by this Agreement caused by Seller.

“ESS” means energy storage system.

“ESS Facility” means Seller’s battery energy storage facility located at the Site, including Seller’s Interconnection Facilities and any and all additions, replacements or modifications, as more particularly described in Exhibit B, provided that, Seller shall have the right to modify the ESS Facility from time to time, and Exhibit B shall be revised as appropriate.

“ESS Facility Capability” means the total degraded capacity (in MWh) of the ESS Facility at the beginning of dispatch, as such capacity is reported by the DAS, less a loss factor to account for inverter and transformer losses to transmit Energy to the POI to be calculated during pre-Commercial Operations testing and adjusted by original equipment manufacturer’s ambient temperature efficiency curves as applicable during peak summer conditions.

“Event of Default” has the meaning set forth in **Section 3.3(a)** or **3.3(b)**, as applicable.

“Excused Delay” means a delay in achieving Commercial Operation by the Commercial Operation Milestone Date due to a (i) Force Majeure Event, (ii), a delay by the Distribution Provider in entering into or performing its obligations under the Interconnection Agreement or any other agreement, (iii) a breach by Buyer of this Agreement (including Seller’s exercise of any remedies for such breach), (iv) any other action or inaction of Buyer or the Distribution Provider which prevents Seller from performing its obligations under this Agreement in a timely manner where such events are beyond Seller’s reasonable control.

“Expected Nameplate Capacity” means a battery nameplate capacity of 39.168 MWh.

“Forced Outage” means any condition at the ESS Facility that requires immediate removal of the ESS Facility, or some part thereof, from service, another outage state, or a reserve shutdown state. This type of outage results from immediate mechanical/electrical/hydraulic control system trips and operator-initiated trips in response to ESS Facility conditions and/or alarms.

“Force Majeure Event” means any event or circumstances which wholly or partly prevents or delays the performance of any obligation arising under this Agreement, but only if and to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party affected, (ii) such event, despite the exercise of reasonable diligence, cannot be prevented, avoided or overcome by such Party, (iii) the Party affected has taken all reasonable precautions and measures in order to avoid the effect of such event on such Party’s ability to perform its obligations under this Agreement and to mitigate the consequences thereof, and (iv) such event is not the direct or indirect result of a Party’s negligence or the failure of such Party to perform any of its obligations under this Agreement or to comply with Applicable Law. Subject to the foregoing circumstances, it may include, without limitation, failure or interruption of the production, delivery or acceptance of electricity due to: an act of god; war (declared or undeclared); sabotage; riot; insurrection; civil unrest or disturbance; military or guerilla action; terrorism; epidemic or pandemic, economic sanction or embargo; civil strike, work stoppage, slow-down, or lock-out; supply chain disruptions, explosion; fire; earthquake; abnormal weather condition or actions of the elements; hurricane; flood; lightning; wind; drought; the binding order of any Governmental Authority (provided that such order has been resisted in good faith by all reasonable legal means); the failure to act on the part of any Governmental Authority (provided that such action has been timely requested and diligently pursued); and unavailability of electricity to the battery from the utility grid for the charging of the battery.

“Governmental Authority” means, as to any Person, any federal, state, local, or other governmental, regulatory or administrative agency, court, commission, department, board, or other governmental subdivision, legislature, rulemaking board, tribunal, or other governmental authority having jurisdiction over such Person or its property or operations but shall specifically exclude Buyer.

“Hazardous Materials” means any substance, material, liquid, gas, or particulate matter that is regulated by any local, state or federal Governmental Authority, as an environmental pollutant or dangerous to public health, public welfare, or the natural environment including, without limitation, protection of non-human forms of life, land, surface water, groundwater, and air, including, but not limited to, any material or substance that is (i) defined as “toxic,” “polluting,” “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “solid waste” or “restricted hazardous waste” under any provision of local, state, or federal law; (ii) petroleum, including any fraction, derivative or additive; (iii) asbestos; (iv) polychlorinated biphenyls; (v) radioactive material; (vi) designated as a “hazardous substance” pursuant to the Clean Water Act, 33 U.S.C. §1251 et seq. (33 U.S.C. §1251); (vii) defined as a “hazardous waste” pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6901); (viii) defined as a “hazardous substance” pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601); (ix)

defined as a “chemical substance” under the Toxic Substances Control Act, 15 U.S.C. §2601 et seq. (15 U.S.C. §2601); or (x) defined as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 et seq. (7 U.S.C. §136).

“**Indemnified Party**” has the meaning set forth in **Section 6.1(a)**.

“**Indemnifying Party**” has the meaning set forth in **Section 6.1(a)**.

“**Interconnection Agreement**” means the mutually agreed interconnection agreement to be entered into between the Distribution Provider and Seller pursuant to which the ESS Facility will interconnect with the Distribution System.

“**kW**” means a kilowatt of power.

“**kWh**” means a kilowatt hour of Energy.

“**Late Payment Rate**” has the meaning set forth in **Section 2.8(d)**.

“**Lender**” or “**Lenders**” means any and all Persons or successors in interest thereof (A) lending money or extending credit (including any financing lease, monetization of tax benefits, back-leverage or paygo financing or credit derivative arrangement) to Seller or to an Affiliate of Seller, including but not limited to: (i) for the construction, interim or permanent financing or refinancing of the ESS Facility; (ii) for working capital or other ordinary business requirements of the ESS Facility (including the maintenance, repair, replacement or improvement of the ESS Facility); (iii) for any development financing, bridge financing, credit support, credit enhancement or interest rate protection in connection with the ESS Facility; (iv) for any capital improvement or replacement related to the ESS Facility; or (v) for the purchase of the ESS Facility and the related rights from Seller; and/or (B) participating (directly or indirectly) as an equity investor in the ESS Facility primarily in connection with the utilization of applicable Tax Credits, federal tax credits or tax depreciation benefits associated with holding an ownership interest in the ESS Facility; and/or (C) participating as lessor under a lease finance arrangement relating to the ESS Facility.

“**Meter**” means an instrument and associated equipment meeting applicable electric industry standards used to measure and record the quantity and the required delivery characteristics of Energy output of the ESS Facility.

“**Metered Energy**” means the Energy output of the ESS Facility as measured at the Billing Meter.

“**MW**” means a megawatt of power.

“**MWh**” means a megawatt hour of Energy.

“**NERC**” means the North American Electric Reliability Corporation or any successor entity.

“**Net Revenues**” has the meaning set forth in **Section 2.7**.

“**Operating Committee**” has the meaning set forth in **Section 2.12**.

“Operating Procedures” has the meaning set forth in **Section 2.12**.

“Parties” has the meaning set forth in the first paragraph of this Agreement.

“Party” has the meaning set forth in the first paragraph of this Agreement.

“Performance Guarantee” means Seller’s performance guarantee as set forth in **Section 2.15**.

“Person” means an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental entity, limited liability company or any other entity of whatever nature.

“PJM” means PJM Interconnection LLC, which coordinates, controls and monitors the operation of the wholesale electrical power system, and any entity that succeeds to such duties.

“Point of Interconnection” or **“POI”** means the point of interconnection between the ESS Facility’s interconnection facilities and the Distribution Provider Interconnection Facilities, as more specifically described in **Exhibit A**.

“Prime Rate” means the interest rate (sometimes referred to as the “base rate”) for large commercial loans to creditworthy entities announced from time to time by JPMorgan Chase Bank, N.A. (New York), or its successor bank, or, if such rate is not announced, the rate published in The Wall Street Journal as the “Prime Rate” from time to time (or, if more than one rate is published, the arithmetic average of such rates), in either case determined as of the date the obligation to pay interest arises, but in no event more than the maximum rate permitted by Applicable Law.

“Prudent ESS Industry Practice” means any of the practices, methods and acts employed by constructors, owners, operators or maintainers of battery storage systems similar in size and operational characteristics to the ESS Facility which, in the exercise of reasonable judgment in the light of the facts known at the time that a decision was made, could reasonably have been expected to accomplish the desired result at the lowest reasonable cost, consistent with licensing and regulatory considerations, environmental considerations, reliability, safety, protection of lives and property, expedition, the technical specifications and manufacturer’s maintenance requirements for the ESS Facility, and the applicable requirements of any Governmental Authority. Prudent ESS Industry Practice is not intended to be limited to the optimum practice, method or act, to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts employed by constructors, owners, operators and/or maintainers of facilities similar in size and operational characteristics to the ESS Facility.

“Rebate” has the meaning set forth in **Section 2.15(a)**.

“Receiving Party” has the meaning set forth in **Section 9.1**.

“Relevant Hours” means the Transmission Relevant Hour and the Capacity Relevant Hours.

“RUS” means the Rural Utility Service within the U.S. Department of Energy.

"RUS Authorization" means the receipt by Seller of authorization from the RUS to commence construction of the ESS Facility in accordance with the loan agreement between the Seller and the RUS under the PACE Program of the RUS.

"Seller" has the meaning set forth in the first paragraph of this Agreement.

"Seller's Interconnection Facilities" means the interconnection facilities, control and protective devices and metering facilities on Seller's side of the POI, supplied by Seller and required to connect the ESS Facility with the Distribution Provider Interconnection Facilities.

"Seller's Net Revenue Share" has the meaning set forth in **Section 2.7**

"Settlement Amount" has the meaning set forth in **Section 2.8**.

"Site" means the real property located in Sturgis, Michigan on which the ESS Facility is to be located, as specified in **Exhibit B** of this Agreement.

"Special Land Use Permit" means the Special Land Use Permit issued to Buyer by Seller.

"Tax Credits" has the meaning set forth in **Section 2.9**.

"Term" has the meaning set forth in **Section 3.1**.

"Transmission Relevant Hours" has the meaning set forth in **Section 2.15(a)**.

"USDA Loan" has the meaning set forth in **Section 2.1(a)(iii)**.

ARTICLE 2 PROJECT DEVELOPMENT; DISPATCH RIGHTS; OPERATION

2.1 *Conditions to Seller's Obligations.*

(a) Notwithstanding that this Agreement shall be legally binding from and after the Effective Date, Seller's obligations to construct the ESS Facility and Buyer's Dispatch Rights and right to receive Buyer's Net Revenue Share are expressly subject to the fulfillment of the conditions listed below, in each case in form and substance reasonably satisfactory to Seller; provided that Seller shall use commercially reasonable efforts to satisfy such conditions and may waive any such condition or may extend the date for fulfillment of any such condition:

(i) No later than one hundred eighty (180) Days after the Effective Date, Seller shall have received all zoning land use, building, right-of-way and stormwater permits, approvals, and consents from the City of Sturgis necessary to install, construct and operate the ESS Facility.

(ii) No later than one hundred eighty (180) Days after the Effective Date, Seller and the City of Sturgis Electric Department shall have entered in an interconnection agreement (the **"Interconnection Agreement"**), and such Interconnection Agreement

shall provide for the installation and energization of Distribution Provider's Interconnection Facilities by May 1, 2026.

(iii) No later than one hundred eighty (180) Days after the Effective Date, Seller shall have received approval of a loan from the USDA under its PACE loan program (the "**USDA Loan**") on terms and conditions satisfactory to Seller in its sole discretion.

(b) If any condition set forth in **Section 2.1(a)** has not been satisfied or waived by Seller in writing on or before the date specified therein, then Seller shall have the right to terminate this Agreement by written notice to Buyer no later than thirty (30) Days after such date, without any further financial or other obligation to Buyer as a result of such termination. In the event that Seller does not terminate this Agreement on or before the date that is thirty (30) Days after the date for satisfaction of such condition, the applicable condition shall be deemed to have been waived. Seller shall notify Buyer promptly upon determining that it has grounds to terminate under the terms of **Section 2.1(a)** and intends to so terminate.

2.2 *Development of the ESS Facility.*

Seller will be responsible for project development activities, including environmental, interconnection, permitting, and zoning. Except with respect to an Excused Delay, Seller assumes the risk and responsibility associated with permitting, environmental approvals (including environmental approvals required by the Michigan Department of Environmental Quality), engineering, construction and operation of the ESS Facility. This assumption of risk by the Seller includes the applicability or availability of Tax Credits or any other federal or state tax credits. Buyer and/or Buyer's agent will provide reasonable support for Seller's development activities. Seller shall use commercially reasonable efforts to achieve the Construction Milestones set forth in **Exhibit C** and cause the Commercial Operation Date to occur no later than the Commercial Operation Milestone Date, as such date is extended pursuant to this Agreement. The Commercial Operation Milestone Date shall be extended as necessary, day for day, if the completion of the ESS Facility is delayed due to an Excused Delay.

2.3 *Pre Commercial Operation Date Dispatch.*

Seller shall be entitled to all costs and all revenues generated by the dispatch of the ESS Facility prior to the Commercial Operation Date.

2.4 *Buyer's Dispatch Rights.*

Buyer shall be entitled to dispatch the ESS Facility a maximum of one hundred sixty (160) hours per Contract Year, pro rata for partial Contract Years during the Delivery Period. ("**Buyer's Dispatch Rights**"). Beginning on the Commercial Operations Date and continuing through the remainder of the Term (the "**Delivery Period**"), Buyer and/or Buyer's agent will have the right to submit a dispatch notice (a "**Dispatch Notice**") to Seller and/or Seller's agent. Each valid Dispatch Notice will be:

(a) Delivered on or before 5 PM on the day preceding dispatch and then confirmed not later than 12 PM on the day of dispatch, but in any event no later than the start of the dispatch.

Buyer or Buyer's agent may request a change of the dispatch intraday as long as the ESS Facility state of charge will support the change in dispatch instructions and will not result in increased Seller costs, and Seller will use its reasonable best efforts to accommodate such change. Unless limited by prior dispatch, Seller and/or Seller's agent will charge the ESS Facility for up to six (6) hours prior to the start of the upcoming dispatch to target a one hundred percent (100%) state of charge. For the avoidance of doubt, the time required to charge the ESS Facility will not be included in Buyer's Dispatch Rights.

(b) At the Billing Meter Capacity, for a defined dispatch duration not to exceed the ESS Facility Capability, to maintain consistent output throughout the defined duration, unless instructed otherwise by Buyer.

(c) Limited to not exceed the current City of Sturgis electric load at the AEP tie point, as further explained in the Operating Procedures if details are included in the Dispatch Notice. For the avoidance of doubt, any limitation in the discharge of the ESS Facility pursuant to this clause shall not be included in the Performance Guarantee in **Section 2.15(a)**.

2.5 *Buyer Payments.*

As consideration for the Buyer's Dispatch Rights, commencing on the Commercial Operation Date and continuing through the remainder of the Term, Buyer shall pay to Seller the Contract Price.

2.6 *Purchase and Sale of Charging Energy and Discharging Energy*

All Charging Energy shall be sold and delivered by Buyer to Seller the Point of Interconnection. All Discharging Energy shall be sold and delivered by Seller to Buyer at the Point of Interconnection. The price of all Charging Energy sold by Buyer to Seller and Discharging Energy purchased by Seller from Buyer shall be the PJM LMP price at the AEPIM_RESID_AGG node at the time of sale and delivery.

2.7 *Buyer's Net Revenue Share.*

Beginning on the Commercial Operations Date and continuing through the Delivery Period, Buyer will be entitled to seventy five percent (75%) of the Net Revenue(s) received when the ESS Facility is not dispatched in accordance with Buyer's Dispatch Rights ("Buyer's Net Revenue Share"). Seller will be entitled to the remaining portion, or twenty five percent (25%), of the Net Revenues ("Seller's Net Revenue Share").

"Net Revenues" means the proceeds received from PJM, or Seller's agent for purposes of settlement with PJM, plus the net of the purchase and sale of Charging Energy and Discharging Energy as described in **Section 2.6**, minus any (i) charges assessed by PJM or Buyer, as applicable, or, if applicable to the operation of the ESS Facility, any RTO, transmission owner, load serving entity, or market participant and (ii) expenses paid by Seller to a third-party energy manager under an energy management agreement (or similar), which may include, but not be limited to, fees paid for scheduling and dispatch settlement. For the avoidance of doubt, the calculation of Net Revenue(s) will not include the Contract Price.

Settlement.

(a) Within twenty (20) Days of receipt of a settlement statement from PJM, Seller and/or Seller's agent shall deliver to Buyer a statement showing the amount of (i) the net revenues received from dispatch of the ESS Facility when not dispatched in accordance with Buyer's Dispatch Rights during the preceding month (or in the case of the final Contract Year, the last calendar month or portion thereof of the Term); (ii) Buyer's Net Revenue Share; and (iii) a settlement calculation for the previous month in accordance with the following formula:

$$\text{Settlement Amount} = \text{Buyer's Net Revenue Share} - \text{Contract Price}$$

(b) If the result of the settlement calculation is positive, payment of the Settlement Amount will be from Seller to Buyer. If the result of the settlement calculation is negative, payment of the Settlement Amount will be from Buyer to Seller. Not more than twenty (20) Days after receipt of each statement (unless such Day is not a Business Day, in which case such payment shall be due on the next succeeding Business Day), the Party making payment shall pay the Settlement Amount to the other Party, by wire or ACH transfer of immediately available funds to an account specified in writing by the receiving Party or by any other means agreed to by the Parties in writing from time to time, irrespective of any unresolved dispute with respect to the Settlement Amount as set forth in the Statement.

(c) Not later than (1) year after delivery of any statement under this Agreement, either Party may provide written notice to the other Party of any alleged error therein and the Parties shall meet, by telephone conference call or otherwise, within ten (10) Days of the other Party's receipt of such notice and shall engage at such meeting in good faith negotiation in an effort to resolve the dispute via the Dispute Resolution referenced in **Section 9.14**. If the Parties are unable to resolve the dispute within thirty (30) Days after such initial meeting, then either Party may proceed to seek whatever remedy may be available to such Party at law or in equity.

(d) Except as otherwise provided in this Agreement, all payments hereunder shall be made without set-off or deduction. Any payment not made by the date required by this Agreement shall bear interest from the date on which such payment was required to have been made through and including the date such payment is actually received at an annual rate equal to the Prime Rate then in effect plus one and one-half percent (1.5%), but in no event shall such interest exceed the maximum interest rate permitted by Applicable Law ("**Late Payment Rate**"). If, as a result of a determination or settlement in a dispute proceeding initiated to resolve a payment dispute under this Agreement, a refund is owed to a Party, then the amount of the overpayment shall bear interest from the date on which such payment was made through and including the date that the overpayment is refunded at an annual rate equal to the Late Payment Rate.

(e) Statements or invoices shall be sent to Buyer by mail or facsimile to the address or facsimile number designated in **Section 9.4**, or in an electronic format if mutually agreed to by the Parties. Buyer may change the address or facsimile number by providing written notice to Seller as provided in **Section 9.4**.

2.9 *Tax Credits and Grants.*

(a) As the owner of the ESS Facility, Seller shall be entitled to all (i) Tax Credits and any other federal and state production tax credits, and (ii) outright grants of money or loans relating in any way to the ESS Facility, including those relating to the Powering Affordable Clean Energy Program administered by the US Department of Agriculture (USDA). “**Tax Credits**” shall mean any and all (i) investment tax credits, including the federal investment tax credit established under Section 48 of Internal Revenue Code of 1986, (ii) production tax credits, (iii) any property tax or other abatement or exemption, (iv) beneficial tax attributes applicable to the ESS Facility, and (v) similar tax credits or grants under federal, state, or local law relating the construction ownership or production of energy from the ESS Facility.

(b) Seller has applied for a Renewable Energy and Electrification Infrastructure and Development Grant administered by the Michigan Public Service Commission. If such grant is awarded to Seller, then Seller will, within the later of (i) sixty (60) days after the Commercial Operation Date and (ii) five (5) days after Seller’s receipt of proceeds from the USDA Loan, distribute to Buyer an amount equal fifty percent (50%) of such grant less fifty percent (50%) of the third-party costs incurred by Seller in applying for and obtaining such grant. Seller will communicate the status of its application for such grant to the Buyer. For the avoidance of doubt, any other Tax Credits, rebates, or loan forgiveness shall belong to Seller.

(c) If Seller applies for grants and other similar incentives other than those described in Section 2.9(a) or 2.9(b) and, during the Term, is awarded incentives applicable to the period during the Term, then Seller will, within sixty (60) days after the later of (i) the Commercial Operation Date and (ii) Seller’s receipt of such grants and other similar incentives, distribute to Buyer an amount equal fifty percent (50%) of such other incentives less fifty percent (50%) of the third party costs incurred by Seller in applying for and obtaining such other incentives.

2.10 *Title and Risk of Loss.*

Title to and risk of loss with respect to Metered Energy delivered during an exercise of Buyer’s Dispatch Rights shall pass from Seller to Buyer when the Metered Energy is delivered by Seller to Buyer at the POI. Until title passes, Seller shall be deemed in exclusive control of the same and shall be responsible for any damage or injury caused thereby. After title to such Metered Energy passes, Buyer shall be deemed in exclusive control of such Metered Energy and shall be responsible for any damage or injury to persons caused thereby.

2.11 *Interconnection.*

(a) Buyer shall assist Seller with obtaining such approvals as are required to interconnect the ESS Facility to the Distribution System pursuant to **Section 5.4**. Seller shall be solely responsible for and shall bear all costs of negotiating, entering into, and performing under, the Interconnection Agreement, and for the design, installation, ownership, operation, and maintenance of the Seller’s Interconnection Facilities and all other costs required to be paid by Seller pursuant to the Interconnection Agreement. Seller shall be responsible for all

interconnection, electric losses, and ancillary service arrangements and costs required to deliver Energy from the ESS Facility to the POI.

(b) Buyer, with respect to Metered Energy delivered during an exercise of Buyer's Dispatch Rights, shall be responsible for all electric losses, transmission and ancillary service arrangements, and all other costs required to deliver the Metered Energy to points beyond the POI. The Parties acknowledge that the Contract Price does not include charges for any such costs, including transmission and interconnection services after such Metered Energy is delivered by Seller to the POI, all of which shall be paid by Buyer.

2.12 ***Operating Committee and Operating Procedures.***

Seller and Buyer shall each appoint one representative and one alternate representative to act in matters relating to the Parties' performance of their respective obligations under this Agreement, which representatives shall constitute the "***Operating Committee***." The Operating Committee will develop a template for written operating procedures ("***Operating Procedures***") before the Commercial Operation Date, which Operating Procedures shall be finalized as soon as possible after the Commercial Operation Date and shall only be effective if made by mutual written agreement of Seller and Buyer. The Parties agree that the Operating Procedures will establish the protocol under which the Parties will perform their respective obligations under this Agreement and will include, but will not be limited to, procedures concerning the following: (1) the method of day-to-day communications; (2) metering, telemetering, telecommunication, and data acquisition procedures; (3) key personnel lists for applicable Seller and Buyer operating centers; (4) reporting of scheduled maintenance, maintenance outages, and Forced Outages of the ESS Facility, the Distribution Provider Interconnection Facilities and the Distribution System; (5) delivered energy reports and facility operations log; and (6) such other matters as may be mutually agreed upon by the Parties.

2.13 ***Interconnection Agreement.***

Seller shall be responsible for obtaining the Interconnection Agreement. The Seller agrees to negotiate and work in good faith to finalize and execute such interconnection agreements as are required to ensure the connection of the ESS Facility and the delivery of Energy from the ESS Facility to the Distribution Provider Interconnection Facilities. Seller shall be responsible for costs incurred to meet regulatory and environmental requirements to interconnect the ESS Facility to the POI as described in Exhibit A.

2.14 ***Operation and Maintenance Requirements.***

Prior to the Commercial Operation Date, Buyer and Seller will establish the Operating Committee to develop the Operating Plan, including identification of scheduled maintenance periods. Seller shall, at all times after the Commercial Operation Date:

(a) At its sole expense, operate and maintain (directly or through its subcontractors or other third party providers) the ESS Facility (i) in accordance with Applicable Law, and (ii) in a manner that is reasonably likely to optimize the output of Energy from the ESS Facility and result

in a useful life for the ESS Facility of not less than fifteen (15) years subject to the terms and conditions otherwise set forth in the Agreement;

(b) Employ (directly or through its subcontractors or other third-party providers) qualified and trained personnel for managing, operating, and maintaining the ESS Facility and for coordinating with Buyer and/or Buyer's agent, and ensure that necessary personnel are available on-site or on-call twenty-four (24) hours per day during the Delivery Period;

(c) Operate and maintain (directly or through its subcontractors or other third-party providers) the ESS Facility with due regard for the safety, security, and reliability of the interconnected facilities and the Distribution System; and

(d) Comply (directly or through its subcontractors or other third-party providers) with operating and maintenance standards recommended or required by the ESS Facility equipment suppliers, or to the extent inconsistent, comply with Prudent ESS Industry Practice.

(e) Seller or its designee will register with PJM as a Market Participant, as such term is defined under rules and regulations promulgated by PJM, for or on behalf of the ESS Facility and will be responsible for direct market scheduling activities and submitting forecasts and offers with respect to the ESS Facility in its sole discretion, subject to Seller's obligations hereunder. Buyer shall reasonably assist Seller in qualifying the ESS Facility for Market Participation, including: (a) executing all necessary commercial documents that may be required by PJM to enable full participation of the ESS Facility in wholesale electric markets; and (b) providing commercially reasonable assistance as the host electric distribution company both during the asset registration/qualification process and throughout the Term in order to ensure that the ESS Facility qualifies for Market Participation under rules and regulations promulgated by PJM and under Applicable Law.

(f) Any curtailment order applicable to the ESS Facility issued by the Distribution Provider, PJM or any Governmental Authority shall have priority over Seller's otherwise permitted use and operation of the ESS Facility.

(g) Seller and/or Seller's agent will be responsible for ongoing monitoring and management of the ESS Facility and expects to provide Buyer and/or Buyer's agent with remote access pursuant to Article 4 of this Agreement.

2.15 *Performance Guarantee.*

(a) Subject to Force Majeure Events and/or Distribution Provider outages to the ESS Facility POI that prohibit or limit the ESS Facility to inject or discharge Energy, Seller guarantees to Buyer that, with respect to Buyer's Dispatch Rights only, that the AverageRH, as calculated below, of the ESS Facility within a Contract Year will be greater than or equal to ninety percent (90%) of the Billing Meter Capacity. If the Performance Guarantee is not met in any Contract Year, then Seller shall rebate to Buyer from Seller's Net Revenue Share for such Contract Year (the "**Rebate**") an amount equal to:

$$\text{MAX}(0, (\text{GTY} \times \text{BMC} - \text{AverageRH}) / (\text{GTY} \times \text{BMC}) \times \text{CP} - \text{MAX}(0, \text{BNRS} - \text{CP}))$$

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where:

“AverageRH” =	Sum of (0.5 * MWh of Energy recorded by the Billing Meter of the ESS Facility during one (1) coincident peak hour in which the Buyer establishes its transmission requirement in accordance with PJM rules) (the “ Transmission Relevant Hour ”) + (0.1 * MWh of Energy recorded by the Billing Meter of the ESS Facility during each of the five (5) coincident peak hours in which the Buyer establishes its capacity requirement in accordance with PJM rules) (each, a “ Capacity Relevant Hour ”);
“BMC” =	Billing Meter Capacity;
“GTY” =	90%;
“CP” =	the total amount of the Contract Price paid by Buyer for such calendar year;
“BNRS” =	Buyer's Net Revenue Share.

Examples of the calculation of the Performance Guarantee are set forth in Exhibit F.

(b) Provided that (i) If Buyer fails to submit a Dispatch Notice in accordance with **Section 2.4**, then the Billing Meter Capacity during any hour(s) included in any such Dispatch Notice that end up being Relevant Hours will be deemed equal to the Billing Meter Capacity for those Relevant Hour(s); (ii) If an intraday Dispatch Notice is delivered by Buyer in accordance with the intraday dispatch procedures set forth in **Section 2.4(a)** and the Seller exhibits Prudent ESS Industry Practice to modify and implement the intraday dispatch change, then the Billing Meter Capacity during any hour(s) included in any such intraday Dispatch Notice that end up being Relevant Hours will be deemed equal to the Billing Meter Capacity for those Relevant Hour(s).

(c) If despite Seller having maintained the ESS Facility in accordance with Prudent ESS Industry Practice, the ESS Facility is unavailable due to an equipment failure that limits the discharge capability of the ESS Facility, the Billing Meter Capacity, for the Performance Guarantee calculation, will be adjusted to the communicated availability for any Relevant Hours that occur for the duration of the equipment failure. Seller communication requirements of such notification are further described in Operating Procedures for the ESS Facility.

(d) The amount of the Rebate, if any, for each Contract Year shall be calculated by Seller on or before January 20 of the next succeeding Contract Year. If the Rebate payable for any Contract Year exceeds Seller's Net Revenue Share for such Contract Year, then the excess of the Rebate for such Contract Year over Seller's Net Revenue Share for such Contract Year shall be paid to Buyer out of Seller's Net Revenue Share for the next Contract Year(s) until fully paid; provided, that Seller's aggregate liability for such Rebate shall not exceed Seller's Net Revenue Share for future Contract Years. For the avoidance of doubt, for any Contract Year's Rebate, Seller

shall not be required to rebate to Buyer any portion of Seller's Net Revenue Share for Contract Years prior to the Contract Year in which such Rebate is incurred.

ARTICLE 3

TERM, TERMINATION AND DEFAULTS

3.1 *Term.*

The “***Term***” of this Agreement shall commence on the Effective Date hereof and continue until midnight on the last Day of the month in which the fifteenth (15th) anniversary of the Commercial Operation Date occurs, unless sooner terminated in accordance with the terms hereof. At Buyer’s request, Seller will give Buyer copies of certificates of completion or similar documentation from Seller’s contractor and the Interconnection Agreement with respect to the interconnection of the ESS Facility to the Distribution System.

3.2 *Regulatory Approvals.*

Following execution of this Agreement by the Parties, Buyer and Seller shall promptly seek to obtain all licenses, permits and approvals necessary to perform their respective obligations hereunder.

3.3 *Defaults and Remedies.*

(a) Each of the following shall constitute an “***Event of Default***” of Seller hereunder:

(i) A failure by Seller to pay any amount due to Buyer hereunder, where such failure is not cured within thirty (30) Days of the date of written notice thereof from Buyer to Seller and the Lender;

(ii) A failure by Seller to achieve the Commercial Operation Date within one hundred eighty (180) Days after the Commercial Operation Milestone Date, as such date is extended for one or more Excused Delays.

(iii) A Bankruptcy Event occurs with respect to Seller;

(iv) Seller assigns this Agreement, except as permitted in **Section 9.2**;

(v) Any representation or warranty made by Seller in this Agreement shall prove to have been false or misleading in any material respect when made, if Seller has failed to cure such default within ninety (90) Days after the date of written notice thereof from Buyer to Seller and the Lender; or

(vi) Seller breaches or fails to observe or perform any of its obligations under this Agreement not specified in **Section 3.3(a)(i)** through **3.3(a)(v)** (except where a separate remedy is otherwise provided) that has a material adverse impact on Buyer if such default has not been cured by Seller within ninety (90) Days after receiving written notice from Buyer setting forth, in reasonable detail, the nature of such default and its

impact on Buyer; *provided, however*, that, in the case of any such default that is not reasonably capable of being cured within the 90-Day cure period, Seller shall have additional time as necessary to cure the default if it commences to cure the default within such 90-Day cure period and it diligently and continuously pursues such cure.

(b) Each of the following shall constitute an “***Event of Default***” of Buyer hereunder:

(i) A failure by Buyer to pay any amount due to Seller hereunder, where such failure is not cured within thirty (30) Days of the date of written notice thereof from Seller to Buyer;

(ii) A Bankruptcy Event occurs with respect to Buyer;

(iii) Buyer assigns this Agreement, except as permitted in **Section 9.2**;

(iv) Any representation or warranty made by Buyer in this Agreement shall prove to have been false or misleading in any material respect when made, if Buyer has failed to cure such default within ninety (90) Days after the date of written notice thereof from Seller to Buyer;

(v) Except as a result of a violation by Seller that is not cured after written notice thereof within the applicable cure period, Buyer revokes or modifies the Special Land Use Permit in any manner that is materially adverse to Seller; or

(vi) Buyer breaches or fails to observe or perform any of its obligations under this Agreement not specified in **Section 3.3(b)(i)** through **3.3(b)(v)** (except where a separate remedy is otherwise provided) that has a material adverse impact on Seller if such default has not been cured by Buyer within ninety (90) Days after receiving written notice from Seller setting forth, in reasonable detail, the nature of such default and its impact on Seller; *provided, however*, that, in the case of any such default that is not reasonably capable of being cured within the 90-Day cure period, Buyer shall have additional time as necessary to cure the default if it commences to cure the default within such 90-Day cure period and it diligently and continuously pursues such cure.

(c) Subject to the provisions of **Section 3.3(d)**, upon the occurrence of an Event of Default by a Party, the non-defaulting Party shall have the following rights:

(i) Subject to the provisions of **Section 3.3(d)**, to terminate this Agreement by providing at least sixty (60) Days prior written notice to the other Party of its intent to exercise its termination rights, unless such Event of Default is cured prior to the date of termination;

(ii) To suspend performance of its obligations and duties hereunder immediately upon delivering written notice to the defaulting Party of its intent to exercise its suspension rights; and

(iii) To pursue any other remedy given under this Agreement or now or hereafter existing at law or in equity or otherwise.

(d) Upon the exercise of the non-defaulting Party's right to terminate this Agreement pursuant to **Section 3.3(c)(i)**, subject to **Section 6.3**, the non-defaulting Party shall be entitled to pursue any damages from the defaulting Party available at law.

3.4 *Specific Performance and Injunctive Relief.*

Except where another remedy is explicitly provided, each Party shall be entitled to seek a decree compelling specific performance with respect to, and shall be entitled, without the necessity of filing any bond, to seek the restraint by injunction of, any actual or threatened breach of any material obligation of the other Party under this Agreement. The Parties in any action for specific performance or restraint by injunction agree that they shall each request that all expenses incurred in such proceeding, including, but not limited to, reasonable counsel fees, be apportioned in the final decision based upon the respective merits of the positions of the Parties.

3.5 *Environmental Compliance.*

Seller shall obtain and pay for all applicable environmental permits, and other similar costs and expenses, from any Governmental Authority needed for construction, operations, and maintenance of the ESS Facility. For the term of this Agreement, Seller shall be responsible for compliance with all Applicable Law in the handling of Hazardous Materials used or produced at the ESS Facility. Seller agrees to indemnify Buyer in the event of Buyer becoming liable to any third party, including but not limited to the United States of America, for any claims arising from Environmental Contamination or the handling of Hazardous Materials in violation of Applicable Law at the ESS Facility, by any Person that is not under the control of Buyer.

ARTICLE 4 METERING AND MEASUREMENT

4.1 *Metering Equipment.*

(a) The Meter used to measure Energy delivered to the POI (the "***Billing Meter***") shall be owned, installed, operated, and maintained in accordance with the Interconnection Agreement at no cost to Buyer under this Agreement. In the event that the Billing Meter cannot be installed at the POI, or it is commercially unreasonable to install the Billing Meter at the POI, then the Parties shall cooperate and agree upon a methodology and process for calculating Metered Energy, which calculation shall reflect applicable Electrical Losses. Seller shall provide, or arrange with the Distribution Provider, should The City of Sturgis Electric Department no longer be the Distribution Provider, to provide Buyer reasonable access to the Billing Meter as necessary for Buyer to perform its obligations under this Agreement and shall provide Buyer the reasonable opportunity to be present at any time when the Billing Meter is to be inspected and tested or adjusted. Seller shall use commercially reasonable efforts to provide the capability for Buyer to remotely acquire real time data from the Billing Meter. Seller shall use commercially reasonable efforts to provide Buyer with any necessary authorizations to enable Buyer to have reasonable access to the Billing

Meter, including obtaining any consent or other agreement from the Distribution Provider, should The City of Sturgis Electric Department no longer be the Distribution Provider, necessary to allow Buyer such access.

(b) Seller, at its own expense, shall inspect and test the Billing Meters that is installed by Seller upon installation and at least every five (5) years thereafter. Seller shall provide Buyer with reasonable advance notice of, and permit a representative of Buyer to witness and verify, such inspections and tests, provided, however, that Buyer shall not unreasonably interfere with or disrupt the activities of Seller and shall comply with all of Seller's safety standards. Upon request by Buyer, Seller shall perform additional inspections or tests of the Billing Meter and shall permit a qualified representative of Buyer to inspect or witness the testing of the Billing Meter, provided, however, that Buyer shall not unreasonably interfere with or disrupt the activities of Seller and shall comply with all of Seller's safety standards. All costs and expenses related to any such requested additional inspection or testing shall be borne by Buyer, unless upon such inspection or testing, the Billing Meter is found to register inaccurately by more than the allowable limits established in this **Article 4**, in which event the expense of the requested additional inspection or testing shall be borne by Seller. Seller shall provide copies of the Billing Meter inspection or testing reports to Buyer within 10 Business Days.

(c) Either Buyer or Seller may elect to install and maintain, at its own expense, backup Meters (each, a ***“Back-Up Meter”***) in addition to the Billing Meter, which installation and maintenance shall be performed in a manner acceptable to the Parties. The installing Party, at its own expense, shall inspect and test Back-Up Meters upon installation and at least annually thereafter. The installing Party shall provide the other Party with reasonable advance notice of, and permit a representative of the other Party to witness and verify, such Back-Up Meter inspections and tests, provided, however, that such Party shall not unreasonably interfere with or disrupt the activities of the installing Party and shall comply with all applicable safety standards. The installing Party shall perform additional inspections or tests of any Back-Up Meter upon reasonable written request of the other Party, and shall permit a qualified representative of the requesting Party to inspect or witness the additional testing of such Back-Up Meter, provided, however, that the requesting Party shall not unreasonably interfere with or disrupt the activities of the installing Party and shall comply with all applicable safety standards. All costs and expenses related to any such requested additional inspection or testing of any Back-Up Meter shall be borne by the Party requesting the test. If reasonably requested in writing, the installing Party shall provide copies of any inspection or testing reports to the requesting Party.

(d) If the Billing Meter or any Back-Up Meter, is found to be defective or inaccurate outside the bounds of the applicable Meter's manufacturer's performance standards, the applicable Meter shall be adjusted, repaired, replaced, and/or recalibrated as near as practicable to a condition of zero error by the Party owning such defective or inaccurate device and at that Party's expense.

4.2 ***Adjustment for Inaccurate Meters.***

If the Billing Meter or a Back-Up Meter, fails to register, or if the measurement made by the Billing Meter or a Back-Up Meter, is found upon testing to not be in compliance with the requirements of the Interconnection Agreement, an adjustment shall be made to the Metered Energy for the period

of the inaccuracy or malfunction to correct all measurements by the inaccurate or defective Billing Meter or Back-Up Meter, for both the amount of the inaccuracy and the period of inaccuracy in the following manner:

(a) If the Billing Meter is found to be defective or inaccurate as set forth above, the Parties shall use the Back-Up Meter, if installed, to determine the correct amount of Metered Energy to correct for such inaccuracy, provided, however, that the Back-Up Meter has been tested and maintained in accordance with the provisions of this Article. If a Back-Up Meter is installed on the low side of the ESS Facility step-up transformer, the amount of Metered Energy determined by reference to the Back-Up Meter shall be adjusted as mutually agreed by Buyer and Seller so that the Metered Energy determined based on the Back-Up Meter is as near as possible to the Energy output that would have been reflected by the Billing Meter. In the event that a Back-Up Meter is not installed, or a Back-Up Meter is also found to be inaccurate, the Parties shall use the data collected by the ESS Facility DAS at each ESS Facility inverter to determine the Metered Energy for the period of inaccuracy, which DAS inverter data shall be adjusted as mutually agreed so that the Metered Energy determined based on the DAS data is as near as possible to the Energy output that would have been reflected by the Billing Meter. If such inverter DAS data is incomplete or unavailable, the Parties shall estimate the amount of the Metered Energy for the applicable period on the basis of Metered Energy delivered to the POI during periods of similar operating conditions when the Billing Meter was registering accurately.

(b) In the event that the Parties cannot agree on the actual period during which the inaccurate measurements were made by any Meter, the period during which the measurements are to be adjusted shall be the shorter of (i) the last one-half of the period from the last previous test of the applicable Meter to the test that found the Meter to be defective or inaccurate, or (ii) the one-hundred eighty (180) Days immediately preceding the test that found the applicable Meter to be defective or inaccurate.

(c) Notwithstanding any adjustment of the Metered Energy pursuant to this **Section 4.2**, any adjustment to the revenues due to Buyer for Buyer's Discharge Rights or Buyer's Net Revenue Share will be made only to the extent of adjustments to payments made to Seller by PJM for discharges of the ESS Facility.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 *Seller's Representations and Warranties*

Seller hereby represents and warrants as follows:

(a) Seller is a limited liability company, duly organized, validly existing, and in good standing under the laws of the State of Delaware and is authorized to conduct business in Michigan.

(b) Seller has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this Agreement.

(c) There are no bankruptcy, insolvency, reorganization or receiverships pending or being contemplated by Seller, or to its knowledge threatened against Seller.

(d) To Seller's knowledge there are no actions, proceedings, judgments, rulings or orders issued by, or pending before any court or other governmental body or threatened against Seller that would materially adversely affect Seller's ability to perform its obligations under this Agreement.

(e) The execution and delivery of this Agreement by Seller, and the performance by Seller of its obligations hereunder have been duly authorized by all necessary corporate action, and do not and will not:

(i) require any consent or approval by any governing body of Seller, other than that which has been obtained and is in full force and effect;

(ii) violate any provision of Applicable Law currently in effect having applicability to Seller or violate any provision in any of Seller's organizational documents, the violation of which could have a material adverse effect on the ability of Seller to perform its obligations under this Agreement;

(iii) result in a breach or constitute a default under any agreement to which Seller is party, including but not limited to any outstanding indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Seller is a party, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Agreement; or

(iv) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this Agreement) upon or with respect to any of the assets or properties of Seller now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Seller to perform its obligations under this Agreement.

(f) This Agreement is a valid and binding obligation of Seller, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or similar laws affecting rights of creditors generally or by general principles of equity.

OTHER THAN THOSE REPRESENTATIONS AND WARRANTIES EXPRESSLY SET FORTH IN THE TERMS OF THIS AGREEMENT, SELLER MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS, IMPLIED, ORAL, WRITTEN OR OTHERWISE, INCLUDING WITHOUT LIMITATION WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR WARRANTIES ARISING BY CUSTOM, TRADE USAGE, PROMISE, EXAMPLE OR DESCRIPTION, ALL OF WHICH WARRANTIES AND GUARANTIES ARE EXPRESSLY DISCLAIMED BY SELLER AND WAIVED BY BUYER.

5.2 *Buyer's Representations and Warranties.*

Buyer hereby represents and warrants as follows:

(a) Buyer is a public body corporate and politic, duly organized and validly existing under the laws of the State of Michigan and is qualified in each other jurisdiction where the failure to so qualify would have a material adverse effect upon the business or financial condition of Buyer.

(b) Buyer has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this Agreement.

(c) There are no bankruptcy, insolvency, reorganization or receiverships pending or being contemplated by Buyer, or to its knowledge threatened against Buyer.

(d) To Buyer's knowledge there are no actions, proceedings, judgments, rulings or orders issued by, or pending before any court or other governmental body or threatened against Buyer that would materially adversely affect Buyer's ability to perform its obligations under this Agreement.

(e) The execution, delivery, and performance of its obligations under this Agreement by Buyer have been duly authorized by all necessary corporate action, and do not and will not:

(i) require any consent or approval by any governing body of Buyer or any consent or approval by any Member of Buyer, other than that which has been obtained and is in full force and effect;

(ii) violate any Applicable Law or violate any provision in any of Buyer's corporate documents or bylaws, the violation of which could have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement;

(iii) result in a breach or constitute a default under any agreement relating to the management or affairs of Buyer, or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which Buyer is a party or by which Buyer or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement; or

(iv) result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this Agreement) upon or with respect to any of the assets or properties of Buyer now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a material adverse effect on the ability of Buyer to perform its obligations under this Agreement.

(f) This Agreement is a valid and binding obligation of Buyer, enforceable in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency or similar laws affecting rights of creditors generally or by general principles of equity.

(g) All permits, consents, approvals, licenses, authorizations, or other action required by any Governmental Authority to authorize Buyer's execution, delivery and performance of this Agreement have been duly obtained and are in full force and effect.

(h) Buyer is entitled by virtue of its organizational documents and the laws and agreements that regulate it to revise the rates it charges for electric capacity and energy furnished to its retail customers sufficient to satisfy its covenants contained in this Agreement, and Buyer is not aware of any proposed change in such organizational documents, laws or agreements that would vary its ability to so revise its rate.

5.3 *Seller's Covenants*

Seller covenants that (i) it shall comply with all Applicable Laws during the Term of this Agreement, (ii) the ESS Facility shall be operated and maintained in accordance with this Agreement and Applicable Laws, (iii) Seller shall comply with this Agreement and (iv) it shall use reasonable efforts to cause its employees to comply with the Occupational Safety and Health Act, and the rules promulgated thereunder by the U.S. Department of Labor, and all applicable Michigan statutes and regulations affecting job safety, *provided* that Seller's failure to comply with the requirements of this **Section 5.3** shall not provide Buyer with the right to terminate this Agreement. Seller covenants not to support, and to cooperate with Buyer, at Buyer's sole cost and expense, in opposing, any action of any regulatory body having jurisdiction over the Buyer that could result in the vitiation of any of the terms or conditions hereof or have any other material adverse effect on the Buyer or the Buyer's rights and responsibilities this Agreement.

5.4 *Buyer's Covenants.*

Buyer covenants that during the term of this Agreement, (i) Buyer shall comply with this Agreement and all Applicable Laws, (ii) Buyer will reasonably cooperate with Seller in connection with Seller securing the Interconnection Agreement and (iii) Buyer will, at Seller's sole cost and expense, reasonably cooperate with Seller in opposing, and will not support, any action of any regulatory body having jurisdiction over the Seller or the ESS Facility that could result in the vitiation of any of the terms or conditions hereof or have any other material adverse effect on Seller, the ESS Facility or the Seller's rights and responsibilities under this Agreement.

ARTICLE 6

INDEMNIFICATION; INSURANCE; LIMITATIONS ON LIABILITY; SURVIVAL

6.1 *General Indemnity.*

(a) Subject to **Section 6.3(a)**, each Party ("*Indemnifying Party*") hereby protects, defends, indemnifies and holds harmless the other Party, its Affiliates, directors, officers, employees and agents (each an "*Indemnified Party*"), from and against all claims, demands, causes of actions, judgments, liability and associated costs and expenses, including reasonable attorney's fees, arising from property damage, bodily injuries or death suffered by any Person (including, without limitation, employees of Buyer) related to, arising from, or connected to the performance by the indemnifying party of its obligations hereunder. The indemnification provisions of this

Section 6.1 shall apply notwithstanding the active or passive negligence of the Indemnified Party, but the Indemnifying Party's liability to the Indemnified Party shall be reduced proportionately to the extent that an act or omission of the Indemnified Party and the Party related thereto, if different, may have contributed to the loss, injury or property damage. Further, no Indemnified Party shall be indemnified hereunder for its loss, liability, injury and damage resulting from its sole negligence or its gross negligence, fraud or willful misconduct.

(b) The Indemnified Party shall give the Indemnifying Party written notice with respect to any liability asserted by a third party and subject to indemnification under this **Section 6.1** (a "**Claim**"), as soon as possible upon the receipt of information of any possible Claim or of the commencement of such Claim. The Indemnifying Party may assume the defense of any Claim, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party. The Indemnified Party may, however, select separate counsel if both Parties are defendants in the Claim and such defense or other form of participation is not reasonably available to the Indemnifying Party. The Indemnifying Party shall pay the reasonable attorneys' fees incurred by such separate counsel until such time as the need for separate counsel expires. The Indemnified Party may also, at the sole cost and expense of the Indemnifying Party, assume the defense of any Claim if the Indemnifying Party fails to assume the defense of the Claim within a reasonable time. Neither Party shall settle any Claim covered by this **Section 6.1** unless it has obtained the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. The Indemnifying Party shall have no liability under this **Section 6.1(b)** for any Claim for which such notice is not provided if that the failure to give notice prejudices the Indemnifying Party.

(c) Limitations as to Buyer. Notwithstanding anything herein to the contrary, Buyer's indemnity obligations under **Sections 6.1(a)** and **6.1(b)** shall be effective if and only to the extent permitted by Applicable Law.

6.2 ***Insurance.***

(a) The Seller, at its own cost and expense, shall maintain and keep in full force and effect from the date hereof through the later of the date of expiration or termination hereof, the following insurance coverage:

(i) Workers' Compensation Insurance for statutory obligations imposed by applicable state laws, if applicable; and

(ii) Commercial General Liability Insurance, including premises and operations, bodily injury, broad form property damage, products/completed operations, contractual liability and independent contractors' protective liability all with minimum combined single limit liability of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate. The insurance may be evidenced using a combination of primary and excess policies.

(iii) Seller shall maintain or cause to be maintained all-risk property coverages in the full amount of the total insured value of the ESS Facility, on a replacement cost basis, including sublimits for earthquake and flood.

(b) All insurance policies required to be obtained hereunder shall provide insurance for occurrences from the date hereof through the later of the expiration or termination hereof. All insurance coverage, other than self-insurance, required by this Agreement if not self-insurance shall be issued by an insurer with an A.M. Best's rating of not less than "A-" or such other insurer as is reasonably acceptable to both Parties.

(c) The Seller shall notify the Buyer of any non-renewal, non-payment of premium, or cancellation of, the insurance required by this **Section 6.2** at least thirty (30) Days prior to the effective date of such non-renewal, non-payment of premium or cancellation. Within fifteen (15) Days after the date hereof, the Seller shall provide to the Buyer and thereafter maintain with the other Party a current certificate of insurance or evidence of self-insurance verifying the existence of the insurance coverage required by this Agreement.

(d) In addition, certificates for the foregoing insurance shall name Buyer and its successors in interest as additional insureds (except workers' compensation insurance).

6.3 ***Limitations on Liability.***

(a) **Waiver of Certain Damages.** Notwithstanding any other provision of this Agreement (except to the extent indemnification payments are made pursuant to **Section 6.1** as a result of an Indemnifying Party's obligation to pay special, indirect, incidental, punitive or consequential damages to a third party (excluding either Party's Affiliates, officers, directors, shareholders) as a result of actions included in the protection afforded by the indemnification set forth in **Section 6.1**, and except with respect to the Rebate set forth in **Section 2.15**, neither Buyer nor Seller (nor any of their Affiliates, contractors, consultants, officers, directors, shareholders, members or employees) shall be liable for special, indirect, incidental, punitive or consequential damages under, arising out of, due to, or in connection with its performance or non-performance of this Agreement or any of its obligations herein, whether based on contract, tort (including, without limitation, negligence), strict liability, warranty, indemnity or otherwise. The Parties agree that (i) in the event that Seller (or, if Seller is a pass-through entity for tax purposes, Seller's owners) loses or is required to recapture any Tax Credits or other tax benefits as a result of a breach of this Agreement by Buyer, such recaptured amount shall be deemed to be direct and not indirect or consequential damages; (ii) in the event that Seller owns any Environmental Attributes produced by the ESS Facility, and a breach of this Agreement by Buyer causes Seller to lose the benefit of sales of such incentives to third parties, the amount of such lost sales shall be direct and not indirect or consequential damages; and (iii) that damages calculated pursuant to **Section 3.3** shall be direct and not indirect or consequential damages.

(b) **Actual Damages.** Except with respect to indemnification for third party claims pursuant to **Section 6.1** and damages that result from the willful misconduct of Seller, Seller's aggregate liability under this Agreement in any Contract Year arising out of or in connection with the performance or non-performance of this Agreement shall not exceed the total Contract Price

payments made (or, as applicable, projected to be made) by Buyer under this Agreement during such Contract Year. The provisions of this **Section 6.3** shall apply whether such liability arises in contract, tort (including negligence), strict liability or otherwise.

6.4 *Survival of Claims.*

Each indemnity set forth in this Article 6 is a continuing obligation, separate and independent of the other obligations of each Party and survives the expiration or termination hereof.

ARTICLE 7 GOVERNMENT APPROVALS

7.1 *Government Approvals - Seller's Obligation.*

Except with respect to governmental approvals, licenses and permits which may be required to allow Buyer to perform its obligations hereunder or as otherwise specified hereunder (all of which shall be obtained and maintained by Buyer at its sole cost), Seller shall secure and maintain, at no cost to Buyer, all governmental approvals, permits (including environmental permits), licenses, easements, rights-of-way, releases and other approvals necessary for the construction, engineering, operation and maintenance of the ESS Facility and the performance by Seller of its obligations hereunder.

7.2 *Assistance.*

At Seller's request, Buyer shall use reasonable efforts to assist Seller in obtaining and retaining such permits, licenses, releases and other approvals as are necessary for the design, construction, engineering, operation and maintenance of the ESS Facility and the performance by Seller of its obligations hereunder. Seller agrees to use reasonable efforts to assist Buyer in obtaining and retaining such permits, licenses, releases and other approvals as are necessary for the performance by Buyer of its obligations hereunder. Each Party shall reimburse the other Party for pre-approved, out-of-pocket costs reasonably incurred by such other Party in rendering assistance under this **Section 7.2**. Each Party shall deliver or cause to be delivered to the other Party certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested, and shall make available, upon reasonable request, personnel and records, subject to the confidentiality provisions of **Section 9.1**, as applicable, relating to the ESS Facility to the extent that the requesting Party requires the same in order to fulfill any regulatory reporting requirements, or to assist the requesting Party in litigation, including administrative proceedings before utility regulatory commissions. Upon reasonable request from Buyer, and subject to any confidentiality requirements respecting proprietary information, Seller shall provide any real-time information relating to the ESS Facility to Buyer necessary for Buyer to fulfill any regulatory reporting requirements, including its reporting obligations to NERC.

7.3 *Government Approvals – Buyer's Obligation.*

Buyer shall secure and maintain, at no cost to Seller, all government approvals, permits, licenses, easements, rights of way, releases and other approvals necessary for the performance by Buyer of its obligations hereunder.

ARTICLE 8 FORCE MAJEURE

8.1 *Applicability of Force Majeure Event.*

Except as otherwise expressly provided to the contrary in this Agreement, if either Party is rendered wholly or partly unable to timely perform its obligations under this Agreement because of a Force Majeure Event, that Party shall be excused from the performance affected by the Force Majeure Event (but only to the extent so affected) and the time for performing such excused obligations shall be extended as reasonably necessary; provided, that: (i) the Party affected by such Force Majeure Event, as soon as reasonably practicable after obtaining knowledge of the occurrence of the claimed Force Majeure Event, gives the other Party prompt oral notice, followed by a written notice reasonably describing the event; (ii) the suspension of or extension of time for performance is of no greater scope and of no longer duration than is required by the Force Majeure Event; and (iii) the Party affected by such Force Majeure Event uses all reasonable efforts to mitigate or remedy its inability to perform as soon as reasonably possible. The Term shall be extended day-for-day for each Day performance is suspended due to a Force Majeure Event; provided, however, that extension of the Term for more than 365 Days under this provision as a result of a single Force Majeure Event shall not be permitted unless mutually agreed by the Parties.

8.2 *Payments and Force Majeure Event.*

Notwithstanding anything herein to the contrary, the obligation to make any payment due under this Agreement shall not be excused by a Force Majeure Event that solely impacts a Party's ability to make payment.

8.3 *Termination.*

If a Force Majeure Event continues for a period of 365 or more consecutive Days and prevents a material part of the performance by a Party hereunder, then at any time during the continuation of the Force Majeure Event the Party not claiming the Force Majeure Event shall have the right to terminate this Agreement without fault or further liability to either Party (except for amounts accrued but unpaid). In addition, if the total duration of a Party's non-performance due to a single Force Majeure Event exceeds 545 Days, the non-performing Party shall have the right to terminate this Agreement effective upon the delivery of a written termination notice delivered after such 545th Day and while such nonperformance is continuing without fault or further liability to either Party (except for amounts accrued but unpaid) from and after the effective termination date.

ARTICLE 9 MISCELLANEOUS

9.1 *Confidential Information.*

(a) The Parties have and will develop certain information, processes, know-how, techniques and procedures concerning the ESS Facility that they consider confidential and proprietary (together with the terms and conditions of this Agreement, the "Confidential Information"). Notwithstanding the confidential and proprietary nature of such Confidential

Information, the Parties (each, the “***Disclosing Party***”) may make such Confidential Information available to the other (each, a “***Receiving Party***”) subject to the provisions of this **Section 9.1**.

(b) Upon receiving or learning of Confidential Information, the Receiving Party shall:

(i) Treat such Confidential Information as confidential and use reasonable care not to divulge such Confidential Information to any third party except as required by law, subject to the restrictions set forth below;

(ii) Restrict access to such Confidential Information to only those employees, subcontractors, suppliers, vendors, and advisors whose access is reasonably necessary for the development, construction, operation or maintenance of the ESS Facility and for the purposes of this Agreement and who shall be bound by confidentiality obligations substantially similar to the terms of this **Section 9.1**;

(iii) Use such Confidential Information solely for the purpose of developing the ESS Facility and for purposes of this Agreement; and

(iv) Upon the termination of this Agreement, destroy or return any such Confidential Information in written or other tangible form and any copies thereof.

(c) The restrictions of this **Section 9.1** do not apply to:

(i) Release of this Agreement or information created under this Agreement to any Governmental Authority or to PJM required by Applicable Law including but not limited release(s) necessary for obtaining any approval or making any filing pursuant to **Sections 3.2, 7.1** or **7.3**, *provided* that each Party agrees to cooperate in good faith with the other to maintain the confidentiality of the provisions of this Agreement or information created under this Agreement by requesting confidential treatment with all filings to the extent appropriate and permitted by Applicable Law;

(ii) Information which is, or becomes, publicly known or available other than through the action of the Receiving Party in violation of this Agreement;

(iii) Information which is in the possession of the Receiving Party prior to receipt from the Disclosing Party or which is independently developed by the Receiving Party, *provided* that the Person or Persons developing such information have not had access to any Confidential Information;

(iv) Information which is received from a third party which is not known (after due inquiry) by Receiving Party to be prohibited from disclosing such information pursuant to a contractual, fiduciary or legal obligation; and

(v) Information which is, in the reasonable written opinion of counsel of the Receiving Party, required to be disclosed pursuant to Applicable Law (including any Freedom of Information Act request); *provided, however*, that the Receiving Party, prior to such disclosure, shall provide reasonable advance notice to the Disclosing Party of the

time and scope of the intended disclosure in order to provide the Disclosing Party an opportunity to obtain a protective order or otherwise seek to prevent, limit the scope of, or impose conditions upon such disclosure.

(d) Notwithstanding the foregoing, Seller may disclose Confidential Information to the Lenders, and any other Person expressing an interest in providing equity or debt financing or refinancing and/or credit support to Seller, and the agent or trustee of any of them, as well as any advisors, consultants, contractors, service providers, or rating agency.

(e) Neither Party shall issue any press or publicity release or otherwise release, distribute or disseminate any information, with the intent that such information will be published (other than information that is, in the reasonable written opinion of counsel to the Disclosing Party, required to be distributed or disseminated pursuant to Applicable Law, *provided* that the Disclosing Party has given notice to, and an opportunity to prevent disclosure by, the other Party as provided in **Section 9.1(c)(v)**), concerning this Agreement or the participation of the other Party in the transactions contemplated hereby without the prior written approval of the other Party, which approval will not be unreasonably withheld or delayed. This provision shall not prevent the Parties from releasing information which is required to be disclosed in order to obtain permits, licenses, releases and other approvals relating to the ESS Facility or as are necessary in order to fulfill such Party's obligations under this Agreement. The Parties may release information relative to the general performance of the ESS Facility, and Seller may include the existence of this Agreement (but not financial details) and general details of the ESS Facility on its website and in marketing materials.

(f) The obligations of the Parties under this **Section 9.1** shall remain in full force and effect for two (2) years following the expiration or termination of this Agreement.

9.2 ***Successors and Assigns; Assignment.***

(a) This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns. Except as provided in **Section 9.2(b)**, this Agreement shall not be assigned or transferred by either Party without the prior written consent of the other Party. For the avoidance of doubt, no direct or indirect change of control of the ownership interests of Seller, or any other sale of direct or indirect ownership interests in the Seller (including any tax equity investment or passive investment) shall constitute an assignment requiring the consent of Buyer under this Agreement.

(b) Notwithstanding the foregoing, no consent shall be required for:

(i) any assignment of this Agreement by Seller for financing purposes to any Lenders as collateral security for obligations under the financing documents entered into with such Lenders;

(ii) any assignment by the Lenders for financing purposes to a third party after the Lenders have exercised their foreclosure rights with respect to this Agreement or the ESS Facility;

(iii) any assignment or transfer of this Agreement by Seller to an Affiliate of Seller, provided that such Affiliate's creditworthiness is equal to or better than that of Seller, as reasonably determined by Buyer and that such Affiliate has all necessary governmental approvals, permits (including environmental permits), licenses, other approvals necessary for the construction, engineering, operation and maintenance of the ESS Facility and the performance of Seller's obligations hereunder; or

(iv) any assignment or transfer of this Agreement by Seller to a Person succeeding to all or substantially all of the assets of Seller, provided that such Person's creditworthiness is equal to or better than that of Seller, as reasonably determined by Buyer and that such Affiliate has all necessary governmental approvals, permits (including environmental permits), licenses, other approvals necessary for the construction, engineering, operation and maintenance of the ESS Facility and the performance of Seller's obligations hereunder;

(v) provided, however, in each of the cases set forth above (except with respect to clause (i) above), the assignee or transferee (a) shall agree in writing to be bound by the terms and conditions hereof and furnish a copy of the assignment or transfer document to the other Party; and (b) in the case of an assignment or transfer by the Seller or Lender to a third party that is not an Affiliate of Seller, such third party (through itself or an Affiliate) shall have at least two (2) years' experience operating projects similar to the ESS Facility or has contracted with an operations and maintenance provider with such experience.

(c) Buyer acknowledges that upon an event of default under any financing documents relating to the ESS Facility, any of the Lenders or their designees may (but shall not be obligated to) assume, or cause its designee or a new lessee or buyer of the ESS Facility to assume, all of the interests, rights and obligations of Seller thereafter arising under this Agreement, provided that, regardless of whether any such Lender or its designee assumes all of the interests, rights and obligations of Seller thereafter arising under this Agreement, Buyer's interests, rights and obligations under this Agreement will remain in full force and effect.

(d) If the rights and interests of Seller in this Agreement shall be assumed, sold or transferred as and upon satisfaction of the conditions set forth in this **Section 9.2** and as herein provided, and the assuming party shall agree in writing to be bound by and to assume, the terms and conditions hereof and any and all obligations to Buyer arising or accruing hereunder from and after the date of such assumption, then Seller shall be released and discharged from the terms and conditions hereof and each such obligation hereunder from and after such date, and Buyer shall continue this Agreement with the assuming party as if such Person had been named as Seller under this Agreement; *provided, however*, that if any such Person assumes this Agreement as provided herein, Buyer acknowledges and agrees that such Persons shall not be personally liable for the performance of such obligations hereunder except to the extent of the total interest of the Lenders in the ESS Facility. Notwithstanding any such assumption by any of the Lenders or a designee thereof, Seller shall not be released and discharged from and shall remain liable for any and all obligations to Buyer arising or accruing hereunder prior to such assumption.

(e) The provisions of this **Section 9.2** are for the benefit of the Lenders as well as the Parties hereto, and shall be enforceable by the Lenders as express third-party beneficiaries hereof. Buyer hereby agrees that none of the Lenders, nor any bondholder or participant for whom they may act or any trustee acting on their behalf, shall be obligated to perform any obligation or be deemed to incur any liability or obligation provided in this Agreement on the part of Seller or shall have any obligation or liability to Buyer with respect to this Agreement except to the extent any of them becomes a party hereto pursuant to this **Section 9.2**.

9.3 *Financing; Liens.*

(a) The Parties acknowledge that Seller may obtain construction and long-term financing or other credit support from one or more Lenders. Both Parties agree in good faith to consider and to negotiate changes or additions to this Agreement that may be reasonably requested by the Lenders; provided, that such changes do not alter the fundamental economic terms of this Agreement. In connection with an assignment to a Lender pursuant to **Section 9.2** or encumbrance of Seller's interest under this Agreement as permitted by this **Section 9.3**, Buyer agrees to execute a consent in substantially the form set forth in Exhibit D with such changes thereto as may be reasonably required the such Lender, an estoppel in substantially the form set forth in Exhibit E, or other acknowledgement, in each case, in form and substance reasonably acceptable to such Lenders.

(b) Seller, without approval of Buyer, may, by security, charge or otherwise encumber its interest under this Agreement for the purposes of financing the development, construction and/or operation of the ESS Facility and the Seller's Interconnection Facilities.

(c) Promptly after making such encumbrance, Seller shall notify Buyer in writing of the name, address, and telephone and facsimile numbers of each Lender to which Seller's interest under this Agreement has been encumbered. Such notice shall include the names of the account managers or other representatives of the Lenders to whom all written and telephonic communications may be addressed.

(d) After giving Buyer such initial notice, Seller shall promptly give Buyer notice of any change in the information provided in the initial notice or any revised notice.

(e) In connection with any assignment to a Lender pursuant to **Section 9.2** or if Seller encumbers its interest under this Agreement as permitted by this **Section 9.3**, the following provisions shall apply to the extent not inconsistent with the terms of Exhibit D or Exhibit E:

(i) The Parties, except as provided by the terms of this Agreement, shall not modify or cancel this Agreement without the prior written consent of the Lenders;

(ii) The Lenders or their designees shall have the right, but not the obligation, to perform any act required to be performed by Seller under this Agreement to prevent or cure an Event of Default by Seller and such act performed by the Lenders or their designees shall be as effective to prevent or cure an Event of Default as if done by Seller, provided that, if any such Lender or its designee elects to perform any act required to be

performed by Seller under this Agreement to prevent or cure an Event of Default by Seller, Buyer will not be deemed to have waived or relinquished its rights and remedies as provided in this Agreement;

(iii) Buyer shall upon request by Seller execute statements certifying that this Agreement is unmodified (or, modified and stating the nature of the modification), in full force and effect and the absence or existence (and the nature thereof) of Events of Default hereunder by Seller and documents of consent to such assignment to the encumbrance and any assignment to such Lenders; and

(iv) Upon the receipt of a written request from Seller or any Lender, Buyer shall execute, or arrange for the delivery of, such certificates, opinions, representations, information and other documents as may be reasonably necessary in order for Seller to consummate any financing or refinancing of the ESS Facility or any part thereof and will enter into reasonable agreements (including a consent agreement or estoppel certificate in connection with any tax equity financing) with such Lender, which agreements will grant certain rights to the Lenders as more fully developed and described in such documents, including (a) this Agreement shall not be terminated (except for termination pursuant to the terms of this Agreement) without the consent of Lender, which consent is not to be unreasonably withheld or delayed, (b) Lenders shall be given notice of, and the opportunity to cure as provided in **Section 3.3(d)**, any breach or default of this Agreement by Seller, (c) if the Lender forecloses, take a deed in lieu of foreclosure or otherwise exercise its remedies pursuant to any security documents, then (i) Buyer shall, at Lender's request, continue to perform all of its obligations hereunder, and Lender or its nominee may perform in the place of Seller, and subject to satisfaction of the conditions set forth in **Section 9.2**, may assign this Agreement to another Person in place of Seller, (ii) Lender shall have no liability under this Agreement except during the period of such Lender's ownership or operation of the ESS Facility, and (iii) Buyer shall accept performance in accordance with this Agreement by Lender or its nominee, subject to satisfaction of the conditions set forth in **Section 9.2**, and (d) that Buyer shall make representations and warranties to Lender as Lender may reasonably request with regard to (i) Buyer's existence, (ii) Buyer's authority to execute, deliver and perform this Agreement, (iii) the binding nature of the document evidencing Buyer's consent to assignment to Lender and this Agreement on Buyer and (iv) receipt of regulatory approvals by Buyer with respect to its execution and performance under this Agreement.

9.4 *Notices.*

Each notice, request, demand, statement or routine communication required or permitted under this Agreement, or any notice or communication that either Party may desire to deliver to the other, shall be in writing and shall be considered delivered when received by the other Party by certified U.S. mail or reputable overnight courier addressed to the other Party at its address indicated below or at such other address as either Party may designate for itself in a written notice to the other Party in accordance with this **Section 9.4**.

If to Seller: Electric City Solar LLC

c/o Prism Power
430 E. 8th Street #5010
Holland, MI 49423
Email: legalnotices@prismpower.solar

If to Buyer: City of Sturgis

130 N. Nottawa
Sturgis, MI 49091
Attn:
Telephone: (269) 651-2321
Facsimile: (269) 659-6054
Email:

9.5 Amendments.

This Agreement shall not be modified nor amended unless such modification or amendment shall be in writing and signed by authorized representatives of both Parties.

9.6 Waivers.

Failure to enforce any right or obligation by any Party with respect to any matter arising in connection with this Agreement shall not constitute a waiver as to that matter nor to any other matter. Any waiver by any Party of its rights with respect to a default under this Agreement or with respect to any other matters arising in connection with this Agreement must be in writing. Such waiver shall not be deemed a waiver with respect to any subsequent default or other matter.

9.7 Survival.

Notwithstanding any provisions herein to the contrary, the obligations set forth in **Section 9.1**, the provisions of **Section 6.3(a)** and the indemnity obligations set forth in **Article 6**, and the limitations on liabilities set forth herein shall survive (in full force) the expiration or termination of this Agreement, subject to the provisions of **Section 6.4** and **Section 9.1(f)**.

9.8 Severability.

If any of the terms of this Agreement are finally held or determined to be invalid, illegal or void, all other terms of the Agreement shall remain in effect; *provided* that the Parties shall enter into negotiations concerning the terms affected by such decision for the purpose of achieving conformity with requirements of any Applicable Law and the intent of the Parties.

9.9 Governing Law.

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Michigan without regard its conflicts of law provisions.

9.10 ***Consent to Jurisdiction.***

(a) Each of the Parties hereto hereby irrevocably consents and agrees that any legal action or proceedings with respect to this Agreement may be brought in any of the courts of the County of St. Joseph, Michigan or of the United States of America for the State of Michigan having subject matter jurisdiction and, by execution and delivery of this Agreement and such other documents executed in connection herewith, each Party hereby:

(i) Accepts the non-exclusive jurisdiction of the aforesaid courts;

(ii) Irrevocably agrees to be bound by any final judgment (after any and all appeals) of any such court with respect to such documents;

(iii) Irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceedings with respect to such documents brought in any such court, and further irrevocably waives, to the fullest extent permitted by law, any claim that any such suit, action or proceedings brought in any such court has been brought in any inconvenient forum;

(iv) Agrees that service of process in any such action may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Party at its address set forth below, or at such other address of which the other Parties hereto shall have been notified; and

(v) Agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or limit the right to bring any suit, action or proceeding in any other jurisdiction.

9.11 ***Waiver of Governmental Immunity.***

Except as set forth in **Section 6.1(c)**, Buyer agrees it will not assert and hereby waives governmental immunity, if any, to the limited extent necessary to interpret and enforce its contractual obligations under this Agreement.

9.12 ***Waiver of Trial by Jury.***

EACH OF THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HEREWITH, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE PARTIES ENTERING INTO THIS AGREEMENT.

9.13 ***No Third-Party Beneficiaries.***

Except as set forth in **Article 6** and in **Sections 9.2** and **9.3**, this Agreement is intended solely for the benefit of the Parties hereto and nothing contained herein shall be construed to create any duty to, or standard of care with reference to, or any liability to, or any benefit for, any Person not a Party to this Agreement.

9.14 ***Dispute Resolution.***

In the event of any dispute arising under this Agreement (a “Dispute”), within seven (7) Days following the delivered date of a written request by either Party (a “***Dispute Notice***”), (i) each Party shall appoint a representative (individually, a “***Party Representative***”, together, the “***Parties’ Representatives***”), and (ii) the Parties’ Representatives shall confer and then meet in person within fourteen (14) Days of delivery of the Dispute Notice if the dispute is not settled prior to that time. The Parties’ Representatives shall meet to negotiate and attempt in good faith to resolve the Dispute quickly, informally and inexpensively with the specific goal of reconciling differences and allowing the Parties to continue in this Agreement for the mutual benefit of both Parties. In the event the Parties’ Representatives cannot resolve the Dispute within fourteen (14) Days after delivery of the Dispute Notice, within seven (7) Days following any request by either Party at any time thereafter, each Party Representative (I) shall independently prepare a written summary of the Dispute describing the issues and claims, (II) shall exchange its summary with the summary of the Dispute prepared by the other Party Representative, and (III) shall submit a copy of both summaries to a senior officer of the Party Representative with authority to irrevocably bind the Party to a resolution of the Dispute. The senior officers for both Parties shall negotiate in good faith to resolve the Dispute, subject to any required internal approval of any such resolution by the Parties’ respective senior management or board of directors. If the Parties have not resolved the Dispute within thirty (30) Days after delivery of the Dispute Notice, either Party may seek legal and equitable remedies.

9.15 ***No Agency.***

This Agreement is not intended, and shall not be construed, to create any association, joint venture, agency relationship or partnership between the Parties or to impose any such obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act as or be an agent or representative of, or otherwise bind, the other Party. At no time shall Buyer be considered an owner or operator of the ESS Facility or the Site.

9.16 ***Cooperation.***

The Parties acknowledge that they are entering into a long-term arrangement in which the cooperation of both of them will be required. In the event that, at any time during the Term, (i) if PJM or other regional reliability council issues a directive, rule or regulation that materially adversely affects Seller or Buyer so that the benefits and burdens of this Agreement are no longer as contemplated by the original intentions of the Parties, the Parties shall use their commercially reasonable efforts to reform this Agreement in order to give effect to the original intentions of the

Parties regarding the appropriate allocation of benefits and burdens to each Party while maintaining the economic bargain of the original Agreement; provided, however, that no Party is obligated to agree to a change in price and (ii) if changes in the operations, facilities or methods of either Party will materially benefit a Party without detriment to the other Party, the Parties commit to each other to make reasonable efforts to cooperate and assist each other in making such change.

9.17 ***Further Assurances.***

Upon the receipt of a written request from the other Party, each Party shall execute such additional documents, instruments and assurances and take such additional actions as are reasonably necessary and desirable to carry out the terms and intent hereof. Neither Party shall unreasonably withhold, condition or delay its compliance with any reasonable request made pursuant to this **Section 9.17.**

9.18 ***Captions.***

All indexes, titles, subject headings, section titles, and similar items are provided for the purpose of reference and convenience and are not intended to affect the meaning of the content or scope of this Agreement. Any term and provision of this Agreement shall be construed simply according to its fair meaning and not strictly for or against any Party.

9.19 ***Entire Agreement.***

This Agreement shall supersede all other prior and contemporaneous understandings or agreements, both written and oral, between the Parties relating to the subject matter of this Agreement.

9.20 ***Counterparts.***

This Agreement may be executed in counterparts (which may be delivered by use of a facsimile machine or an e-mail which attaches a portable document format (.pdf) document), each of which will be an original, but each of which, when taken together, will constitute one and the same instrument. Use of an Electronic Signature (as defined below) or the delivery of an executed counterpart of a signature page to this Agreement by facsimile machine, portable document format (“***PDF***”) or other electronic means shall be as effective as physical delivery of a manually executed counterpart of this Agreement and shall be binding on all parties. No party may raise the use of an Electronic Signature or the use of a facsimile machine, PDF or other electronic means, or the fact that any signature was transmitted through the use of facsimile machine, PDF or other electronic means as a defense to the enforcement of this Agreement and each Party consents to the admission in evidence of a facsimile or photocopy of this Agreement in any court or arbitration proceedings between the Parties. “***Electronic Signature***” for this purpose means any symbol or process attached to a document or instrument and executed or adopted by a Person with the intent to sign

the document or instrument, including, without limitation, any digital representation of a Party's signature created by scanning such Party's signature or by electronic signature service such as DocuSign.

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SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF the Parties have executed this Agreement in the manner appropriate to each on the date set forth above.

Electric City Solar LLC

City of Sturgis, Michigan

By:_____

By:_____

Name:_____

Name:_____

Title:_____

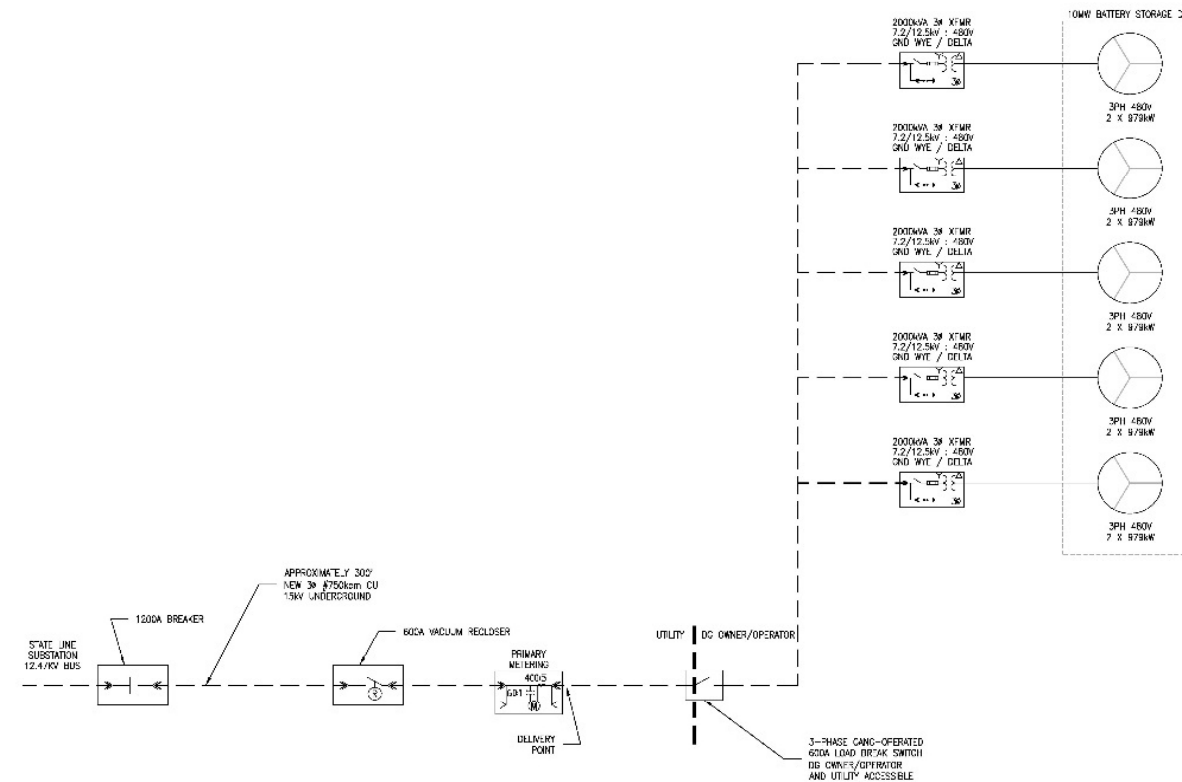
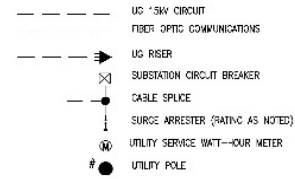
Title:_____

EXHIBIT A

DESCRIPTION OF POINT OF INTERCONNECTION AND ONE-LINE DIAGRAM

Interconnection Facilities Location: On and between the BESS Project and the adjacent to-be-constructed Utility-owned substation both of which are to be located on the parcel currently numbered 052-777-290-00 and located at the northwest corner of Bogen Road and South Nottawa Street at 233 Bogen Road, Sturgis, Michigan. Address and parcel numbers are subject to change as a result of parcel subdivision.

ESS FACILITY ONE LINE DIAGRAM



PRELIMINARY DRAWING

NOTES:
1. NOT ALL EQUIPMENT AND EXTENTS OF CIRCUIT SHOWN.

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	ENG.	NEW				CITY OF STURGIS PRISM POWER BATTERY STORAGE SYSTEM IMPACT STUDY	CLIENT LOCATION	PROJECT NUMBER 24.1577.01	DRAWING NUMBER EL.01
	DR	NEW							
	OK	NEW							
	APP	NEW	01-14-24 01-16-2024	DAWSON? BOWMASTER, UPON 2025 PM IMPACT STUDY					
			DATE	ISSUED FOR					
					27205KEY, MICHIGAN, 231-439-9683 GRAND RAPIDS, MICHIGAN, 816-642-7183	PROPOSED BATTERY STORAGE DER CONNECTION DIAGRAM			

EXHIBIT B

DESCRIPTION OF ESS FACILITY

Project	Electric City ESS LLC
Location	233 Bogen Road, Sturgis, MI 49091
Type	Battery Energy Storage
Size	Nameplate Capacity: 39.168 MWh Hourly capacity as measured at the Billing Meter: 9.3024 MWh (“Billing Meter Capacity”)
Efficiency	90% round trip efficiency or higher (charging and discharging) at Standard Test Conditions.
Interconnection Point	On and between the ESS Facility and the adjacent to be constructed Utility owned substation both of which are to be located on the parcel currently numbered 052-777-290-00 and located at the North-West corner of Bogen Rd. and South Nottawa St at 233 Bogen Rd. Sturgis, MI. Address and parcel numbers are subject to change as a result of parcel subdivision.

EXHIBIT C
CONSTRUCTION MILESTONES

Start Construction Date:

Complete Construction Date:

Commercial Operation Milestone Date: the later of December 31, 2026, and five hundred thirty (530) days after the closing of the USDA Loan

EXHIBIT D

FORM OF CONSENT AND AGREEMENT TO COLLATERAL ASSIGNMENT

This CONSENT AND AGREEMENT (this “Consent”), dated as of _____, 20____, is entered into by and among **The City of Sturgis, MI**, a public body corporate and politic, formed under the laws of the State of Michigan (together with its successors and permitted assigns “Buyer”), _____ (together with its successors, designees and assigns in its capacity, “Lender”), and **Electric City ESS LLC** a Delaware limited liability company (together with its successors and permitted assigns, “Seller”). Unless otherwise defined, all capitalized terms have the meaning given in the ESS Discharge Rights Agreement (as hereinafter defined).

- A. Seller intends to develop, construct, install, test, own, operate and use a battery energy storage facility within Sturgis, MI (the “Facility”).
- B. Buyer and Seller have entered into that certain ESS Discharge Rights Agreement, dated as of _____ (as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the “ESS Discharge Rights Agreement”).
- C. In order to partially finance the development, construction, installation, testing, operation and use of the Facility, Seller and/or one or more of its Affiliates has entered into that certain [Financing Agreement], dated as of _____ (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Financing Agreement”), among Seller and/or one or more of its Affiliates, the financial institutions from time to time parties thereto as lenders and/or issuing banks, and Lender as agent on behalf of such financial institution, pursuant to which, among other things, such financial institutions have extended commitments to make loans and other financial accommodations to, and for the benefit of, Seller.
- D. Pursuant to a [Security Agreement] between Seller and Lender, dated as of _____ (as amended, amended and restated, supplemented or otherwise modified from time to time, the “Security Agreement”), Seller has agreed, among other things, to assign, as collateral security for the obligations of Seller and/or one or more of its Affiliates under the Financing Agreement and related documents (collectively, the “Financing Documents”), all of its right, title and interest in, to and under the ESS Discharge Rights Agreement to Lender for the benefit of Lender and each other entity or person providing loans and/or other financial accommodations to, and for the benefit of, Seller and/or such Affiliates under the Financing Documents.
- E. It is a condition to Lender’s obligations under the Financing Agreement that Buyer and the other parties hereto execute this Consent.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, the parties hereto hereby agree as follows:

1. CONSENT TO ASSIGNMENT. Subject to the terms and conditions below, Buyer consents to an assignment of all of Seller's rights and obligations under the ESS Discharge Rights Agreement by Seller to Lender as collateral pursuant to the Financing Documents.

2. LIMITATIONS ON ASSIGNMENT.

(a) Lender shall be entitled (but not obligated) to exercise all rights and to cure any defaults of Seller under the ESS Discharge Rights Agreement, subject to applicable notice and cure periods provided in the ESS Discharge Rights Agreement and as set forth herein. Upon receipt of notice from Lender, Buyer agrees to accept such exercise and cure by Lender if timely made by Lender under the ESS Discharge Rights Agreement and this Consent. Upon receipt of Lender's written instructions and to the extent allowed by law, Buyer agrees to make directly to such account as Lender may direct Buyer in writing from time to time, all payments to be made by Buyer to Seller under the ESS Discharge Rights Agreement from and after Buyer's receipt of such instructions, and Seller consents to any such action. Buyer shall have no liability to Seller under the ESS Discharge Rights Agreement or this Consent for directing such payments to Lender in accordance with this clause (a).

(b) Buyer agrees to deliver duplicates or copies of all notices of default delivered by Buyer under or pursuant to the ESS Discharge Rights Agreement to Lender in accordance with the notice provisions of this Consent. Buyer shall deliver any such notices concurrently with delivery of the notice to Seller under the ESS Discharge Rights Agreement. In the event of a default or breach by Seller in the performance of any of its obligations under the Power Purchase Agreement, or upon the occurrence or non-occurrence of any event or condition under the ESS Discharge Rights Agreement which would immediately or with the passage of any applicable grace period or the giving of notice, or both, enable Buyer to terminate the ESS Discharge Rights Agreement or to suspend performance of its obligations thereunder (hereinafter, a "Default"), Buyer shall not terminate the ESS Discharge Rights Agreement or suspend performance of its obligations thereunder until it first gives written notice of such Default to Lender and affords Lender (i) if such Default is the failure to pay amounts to Buyer which are due and payable under the ESS Discharge Rights Agreement, a period of twenty (20) Days from the later to occur of (A) the expiration of the Seller's cure period under the ESS Discharge Rights Agreement, if any, or (B) receipt of such notice, in each such case, to cure such Default or (ii) with respect to any other Default, forty-five (45) Days from the later to occur of (A) the expiration of the Seller's cure period under the ESS Discharge Rights Agreement, if any, or (B) receipt of such notice, in each such case, to cure such non-payment Default; provided that during the applicable cure period Lender or Seller continues to perform each of Seller's other obligations under the ESS Discharge Rights Agreement). If (x) possession of the Facility is necessary to cure such Default or (y) if the Default can only be cured by the Seller and is not curable by Lender, such as the insolvency, bankruptcy, general assignment for the benefit of the secured parties under the

Financing Agreement, or appointment of a receiver, trustee, custodian or liquidator of the Seller or its properties, and, in each such case, Lender or its successor(s), assignee(s) and/or designee(s) declares an “Event of Default” under the Financing Agreement and Lender commences foreclosure proceedings or any other proceedings necessary to take possession of the Facility, Lender or its successors(s), assignee(s) and/or designee(s) will be allowed a reasonable period to both commence (not to exceed sixty (60) Days) and complete (not to exceed one hundred eighty (180) Days) such proceedings, provided that, once commenced, Lender, or its successor(s), assignee(s) and/or designee(s) shall pursue such proceedings with due dispatch and provided, further, that if the Default can only be cured by the Seller and is not curable by Lender, such as the insolvency, bankruptcy, general assignment for the benefit of the secured parties under the Financing Agreement, or appointment of a receiver, trustee, custodian or liquidator of the Seller or its properties, Lender shall be entitled to assume the rights and obligations of Seller under the ESS Discharge Rights Agreement and provided such assumption occurs, Buyer shall not be entitled to terminate the ESS Discharge Rights Agreement or suspend its performance thereunder as a result of such Default. If either the Lender or its successor(s), assignee(s) and/or designee(s) is prohibited by any court order or bankruptcy or insolvency proceedings of Seller from curing the Default or from commencing or prosecuting such proceedings, the foregoing time periods shall be extended by the period of such prohibition, provided that Lender or its successor(s), assignee(s) and/or designee(s) is pursuing relief from such prohibition with due dispatch. Buyer shall recognize the Lenders or their designee(s) or assignee(s) as the applicable party under the ESS Discharge Rights Agreement provided that such Lender or their designee(s) or assignee(s) assume the obligations of Seller under the ESS Discharge Rights Agreement, including, without limitation, satisfaction and compliance with all credit provisions of the ESS Discharge Rights Agreement and provided further that such Lender or their designee(s) or assignee(s) has a creditworthiness at least equal to that of Seller as of the date hereof.

(c) In the event that the ESS Discharge Rights Agreement is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding, and if, within forty-five (45) Days after such rejection, the Lender shall so request, Buyer will execute and deliver to Lender a new agreement, which shall be on the same terms and conditions as the original ESS Discharge Rights Agreement for the remaining term of the original ESS Discharge Rights Agreement before giving effect to such rejection, and which shall require Lender to cure any defaults then existing under the original ESS Discharge Rights Agreement, except any performance defaults of Seller itself, which by their nature are not susceptible of being cured. Notwithstanding the foregoing, any new agreement will be subject to all regulatory approvals required by law, including those associated with any renewable energy or environmental objectives met by, or required of, the original ESS Discharge Rights Agreement. Buyer will use good faith efforts to promptly obtain any necessary regulatory approvals.

(d) In the event Lender or its designee(s) or assignee(s) elect(s) to perform Seller's obligations under the ESS Discharge Rights Agreement, succeed to Seller's interest under the ESS Discharge Rights Agreement, or enter into a new agreement as provided in Section 2(c) above, the recourse of Buyer against Lender or its designee(s) and assignee(s) shall be limited to such party or parties' interests in the Facility.

(e) In the event Lender or its designee(s) or assignee(s) succeed to Seller's interest under the ESS Discharge Rights Agreement, Lender or its designee(s) or assignee(s) shall cure any then-existing payment and performance defaults under the ESS Discharge Rights Agreement, except any performance defaults of Seller itself, which by their nature are not susceptible of being cured. Lender and its designee(s) or assignee(s) shall have the right to assign their interest in the ESS Discharge Rights Agreement to a person or entity to whom Seller's interest in the Facility is transferred, provided such transferee assumes the obligations of Seller under the ESS Discharge Rights Agreement and has a creditworthiness at least equal to that of Seller as of the date hereof. Upon such assignment, Lender and its designee(s) or assignee(s) (including their agents and employees) shall be released from any further liability thereunder accruing from and after the date of such assignment, to the extent of the interest assigned.

3. REPRESENTATIONS AND WARRANTIES. Buyer hereby represents and warrants that as of the date of this Consent:

(a) It (i) is duly formed and validly existing under the laws of the State of Michigan, and (ii) has all requisite power and authority to enter into and to perform its obligations hereunder and under the ESS Discharge Rights Agreement, and to carry out the terms hereof and thereof and the transactions contemplated hereby and thereby;

(b) the execution, delivery and performance of this Consent and the ESS Discharge Rights Agreement have been duly authorized by all necessary action on its part and do not require any approvals, material filings with, or consents of any entity or person which have not previously been obtained or made;

(c) this Consent and the ESS Discharge Rights Agreement are in full force and effect;

(d) this Consent and the ESS Discharge Rights Agreement have been duly executed and delivered on its behalf and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, except as the enforceability thereof may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (ii) general equitable principles (whether considered in a proceeding in equity or at law);

(e) there is no litigation, arbitration, investigation or other proceeding pending for which Buyer has received service of process or, to Buyer's actual knowledge, threatened against Buyer relating solely to this Consent, the ESS Discharge Rights Agreement and the transactions contemplated hereby and thereby;

(f) the execution, delivery and performance by it of this Consent, the ESS Discharge Rights Agreement, and the consummation of the transactions contemplated hereby, will not result in any violation of, breach of or default under any term of any material contract or material agreement to which it is a party or by which it or its property is bound, or of any material requirements of law presently in effect having applicability to it, the violation, breach or default

of which could have a material adverse effect on its ability to perform its obligations under this Consent;

(g) neither Buyer nor, to Buyer's actual knowledge, any other party to the ESS Discharge Rights Agreement, is in default of any of its obligations thereunder, and no disputes exist between Buyer and Seller thereunder; and

(h) to Buyer's actual knowledge, (i) no Force Majeure exists under the ESS Discharge Rights Agreement and (ii) no event or condition exists which would either immediately or with the passage of any applicable grace period or giving of notice, or both, enable either Buyer or Seller to terminate or suspend its obligations under the ESS Discharge Rights Agreement.

4. NOTICES. All notices required or permitted hereunder shall be in writing and shall be effective (a) upon receipt if hand delivered, (b) upon telephonic verification of receipt if sent by facsimile, (c) upon confirmation of receipt if sent by email and (d) if otherwise delivered, upon the earlier of receipt or five (5) Business Days after being sent registered or certified mail, return receipt requested, with proper postage affixed thereto, or by private courier or delivery service with charges prepaid, and addressed as specified below:

If to Buyer:

[Name]
[Address]
Attention: [____]
Facsimile: [____]
Email: [____]

If to Lender:

[Name]
[Address]
Attention: [____]
Facsimile: [____]
Email: [____]

If to Seller:

[Name]
[Address]
Attention: [____]
Facsimile: [____]
Email: [____]

Any party shall have the right to change its address for notice hereunder to any other location within the United States by giving written notice to the other parties in the manner set forth above.

5. **ASSIGNMENT, TERMINATION, AMENDMENT.** This Consent shall be binding upon and benefit the successors and assigns of the parties hereto and their respective successors, transferees and assigns (including without limitation, any entity that refinances all or any portion of the obligations under the Financing Agreement). Buyer agrees (a) to confirm such continuing obligation in writing upon the reasonable request of (and at the expense of) Seller, Lender or any of their respective successors, transferees or assigns, and (b) to cause any successor-in-interest to Buyer with respect to its interest in the ESS Discharge Rights Agreement to assume, in writing in form and substance reasonably satisfactory to Lender, the obligations of Buyer hereunder. Any purported assignment or transfer of the ESS Discharge Rights Agreement not in conjunction with the written instrument of assumption contemplated by the foregoing clause (b) shall be null and void. No termination, amendment, or variation of any provisions of this Consent shall be effective unless in writing and signed by the parties hereto. No waiver of any provisions of this Consent shall be effective unless in writing and signed by the party waiving any of its rights hereunder.

6. **GOVERNING LAW.** This Consent shall be governed by the laws of the State of New York applicable to contracts made and to be performed in such State. THE FEDERAL AND STATE COURTS SITUATED IN MICHIGAN AND THE STATE COURTS LOCATED IN ST. JOSEPH, MICHIGAN, SHALL HAVE EXCLUSIVE JURISDICTION TO RESOLVE ANY DISPUTES WITH RESPECT TO THIS CONSENT AND AGREEMENT WITH BUYER, SELLER, AND LENDER IRREVOCABLY CONSENTING TO THE JURISDICTION THEREOF FOR ANY ACTIONS, SUITS, OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS CONSENT.

7. **COUNTERPARTS.** This Consent may be executed in one or more duplicate counterparts, and when executed and delivered by all the parties listed below, shall constitute a single binding agreement.

8. **SEVERABILITY.** In case any provision of this Consent or the obligations of any of the parties hereto, shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions, or the obligations of the other parties hereto, shall not in any way be affected or impaired thereby.

9. **ACKNOWLEDGMENTS BY SELLER.** Seller, by its execution hereof, acknowledges and agrees that neither the execution of this Consent, the performance by Buyer of any of the obligations of Buyer hereunder, the exercise of any of the rights of Buyer hereunder, or the acceptance by Buyer of performance of the ESS Discharge Rights Agreement by any party other than Seller shall (a) release Seller from any obligation of Seller under the ESS Discharge Rights Agreement, (b) constitute a consent by Buyer to, or impute knowledge to Buyer of, any specific terms or conditions of the Financing Agreement, the Security Agreement or any of the other Financing Documents, or (c) except as expressly set forth in this Consent, constitute a waiver by Buyer of any of its rights under the ESS Discharge Rights Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto by their officers thereunto duly authorized, have duly executed this Consent as of the date first set forth above.

CITY OF STURGIS, MI,
as Buyer

By: _____
Name: _____
Title: _____

ELECTRIC CITY ESS LLC,
as Seller

By: _____
Name: _____
Title: _____

[NAME OF LENDER],
as Lender

By: _____
Name: _____
Title: _____

EXHIBIT E
FORM OF ESTOPPEL

Addressees:

[Borrower and/or Seller]

[Tax Equity Investor]

[Collateral Agent]

[Others as required]

RE: Status of Solar ESS Discharge Rights Agreement

Ladies and Gentlemen,

This letter is being delivered at the request of [] (the “Seller”) in connection with that certain ESS Discharge Rights Agreement, dated as of [], 201[8] (the “Agreement”), by and between [] (the “Buyer”) and the Seller. This letter is also being delivered in connection with (i) [Financing Agreement description to be added] and (ii) [Tax Equity Investment Agreement description to be added]. Capitalized terms not defined herein shall have the meanings set forth in the Agreement.

The Buyer hereby confirms and agrees as follows:

1. The copy of the Agreement, attached hereto as Exhibit A, constitutes a true, correct and complete copy of the Agreement.
2. The Agreement is in full force and effect and has not been modified, supplemented or amended in any way, except as set forth on Exhibit A hereto, and constitutes the entire agreement between the Buyer and the Seller relating to the matters set forth therein.
3. The Buyer is a corporation, duly organized, validly existing and in good standing under the laws of the State of [] and has all requisite power and authority to conduct, execute, deliver and perform its obligations under the Agreement and this letter.
4. The execution, delivery and performance by the Buyer of the Agreement and this letter have been duly authorized by all necessary company action on the part of the Buyer and do not require any approvals, filings with or consents of any entity or person which have not previously been obtained or made.
5. The Buyer has not transferred, pledged or assigned, in whole or in part, any of its right, title, interest in, to and under the Agreement.

6. The Buyer is not and, to the knowledge of the Buyer, the Seller is not, in default under the Agreement, and no facts or circumstances are currently known to exist which, with the passage of time or the giving of notice or both, would constitute a default by either such party under the Agreement.
7. There are no actions pending against the Buyer under the bankruptcy or any similar laws of the United States or any state.
8. To the Buyer's knowledge, there is currently no event, act, circumstance or condition constituting a Force Majeure Event for the Buyer under the Agreement, as defined therein, and the Buyer has not received any notice from the Seller that the Seller is unable to perform its obligations to the Buyer under the Agreement due to a Force Majeure.
9. The Seller has not received or, to the Buyer's knowledge, claimed any amounts under the indemnification obligations of the Buyer set forth in the Agreement.
10. No payments have been due under the Agreement to the Buyer through the period ending on the date hereof.
11. To the Buyer's knowledge, the obligations of the Seller under the Agreement required to be performed on or before the date hereof (including the payment of any amounts) have been properly performed or expressly waived in writing.
12. To the Buyer's knowledge, there are no disputes or proceedings between the Buyer on the one hand and the Seller on the other hand.
13. This letter may be executed and delivered by facsimile or other electronic means (e.g., e-mail transmission of version in .pdf format) and shall be legally binding on the party so executing and delivering such counterpart, provided that an original signature is delivered thereafter.

Sincerely,

[_____]

By: _____

Name:

Title:

EXHIBIT F

EXAMPLES OF PERFORMANCE GUARANTEE CALCULATION

Example #1 – Met guarantees for all Relevant Hours

Guarentee Payment	\$ -	Capped at SNRS	\$ -	
MAX(0, (GTY*BMC-AVERAGE RH)/(GTY*BMC)*CP - MAX(0, BNRS - CP))				
where:				
9	"AverageRH" =	average capacity of the ESS Facility during all Relevant Hours within such calendar year;		
9.3024	"BMC" =	Billing Meter Capacity;		
0.9	"GTY" =	90%;		
\$ 1,336,728.00	"CP" =	the total amount of the Contract Price paid by Buyer for such calendar year;		
\$ 375,000.00	"BNRS" =	Buyer's Net Revenue Share.		
\$ 125,000.00	"SNRS" =	Seller's Net Revenue Share		
Input 6 CPs		Peak Type	Weighting	Weighted CP
9		TX	50%	4.5
9		CP1	10%	0.9
9		CP2	10%	0.9
9		CP3	10%	0.9
9		CP4	10%	0.9
9		CP5	10%	0.9
Input				
\$ 500,000.00	Total Net Revenue			

Example #2 – Missed Transmission Peak Relevant Hour with \$1 million Net Revenue

Guarantee Payment	\$	618,242.45	Capped at SNRS	\$	250,000.00
MAX(0, (GTY*BMC-AVERAGE RH)/(GTY*BMC)*CP - MAX(0, BNRS - CP))					
where:					
4.5	"AverageRH" =	average capacity of the ESS Facility during all Relevant Hours within such calendar year;			
9.3024	"BMC" =	Billing Meter Capacity;			
0.9	"GTY" =	90%;			
\$ 1,336,728.00	"CP" =	the total amount of the Contract Price paid by Buyer for such calendar year;			
\$ 750,000.00	"BNRS" =	Buyer's Net Revenue Share.			
\$ 250,000.00	"SNRS" =	Seller's Net Revenue Share			
		Input 6 CPs	Peak Type	Weighting	Weighted CP
		0	TX	50%	0
		9	CP1	10%	0.9
		9	CP2	10%	0.9
		9	CP3	10%	0.9
		9	CP4	10%	0.9
		9	CP5	10%	0.9
Input					
\$ 1,000,000.00	Total Net Revenue				

Example #3 – Missed Transmission Peak Relevant Hour with \$2million Net Revenue

Guarantee Payment	\$	454,970.45	Capped at SNRS	\$	454,970.45
MAX(0, (GTY*BMC-AVERAGE RH)/(GTY*BMC)*CP - MAX(0, BNRS - CP))					
where:					
4.5	"AverageRH" =	average capacity of the ESS Facility during all Relevant Hours within such calendar year;			
9.3024	"BMC" =	Billing Meter Capacity;			
0.9	"GTY" =	90%;			
\$ 1,336,728.00	"CP" =	the total amount of the Contract Price paid by Buyer for such calendar year;			
\$ 1,500,000.00	"BNRS" =	Buyer's Net Revenue Share.			
\$ 500,000.00	"SNRS" =	Seller's Net Revenue Share			
		Input 6 CPs	Peak Type	Weighting	Weighted CP
		0	TX	50%	0
		9	CP1	10%	0.9
		9	CP2	10%	0.9
		9	CP3	10%	0.9
		9	CP4	10%	0.9
		9	CP5	10%	0.9
Input					
\$ 2,000,000.00	Total Net Revenue				

Example #4 – Reduced BMC for all Relevant Hours due to equipment outage

Guarantee Payment	\$	-	Capped at SNRS	\$	-
MAX(0, (GTY*BMC-AVERAGE RH)/(GTY*BMC)*CP - MAX(0, BNRS - CP))					
where:					
6.5	"AverageRH" =	average capacity of the ESS Facility during all Relevant Hours within such calendar year;			
7	"BMC" =	Billing Meter Capacity;			
0.9	"GTY" =	90%;			
\$ 1,336,728.00	"CP" =	the total amount of the Contract Price paid by Buyer for such calendar year;			
\$ 750,000.00	"BNRS" =	Buyer's Net Revenue Share.			
\$ 250,000.00	"SNRS" =	Seller's Net Revenue Share			
Input 6 CPs		Peak Type	Weighting	Weighted CP	
6.5		TX	50%	3.25	
6.5		CP1	10%	0.65	
6.5		CP2	10%	0.65	
6.5		CP3	10%	0.65	
6.5		CP4	10%	0.65	
6.5		CP5	10%	0.65	
Input					
\$ 1,000,000.00	Total Net Revenue				

Example #5 – Missed PJM Capacity CP Relevant Hour with \$1million Net Revenue

Guarentee Payment	\$	43,454.01	Capped at SNRS	\$	43,454.01
MAX(0, (GTY*BMC-AVERAGE RH)/(GTY*BMC)*CP - MAX(0, BNRS - CP))					
where:					
8.1	“AverageRH”=	average capacity of the ESS Facility during all Relevant Hours within such calendar year;			
9.3024	“BMC”=	Billing Meter Capacity;			
0.9	“GTY”=	90%;			
\$ 1,336,728.00	“CP”=	the total amount of the Contract Price paid by Buyer for such calendar year;			
\$ 750,000.00	“BNRS”=	Buyer's Net Revenue Share.			
\$ 250,000.00	"SNRS" =	Seller's Net Revenue Share			
Input 6 CPs		Peak Type	Weighting	Weighted CP	
9		TX	50%	4.5	
0		CP1	10%	0	
9		CP2	10%	0.9	
9		CP3	10%	0.9	
9		CP4	10%	0.9	
9		CP5	10%	0.9	
Input					
\$ 1,000,000.00	Total Net Revenue				

Interconnection Agreement

This Interconnection Agreement (together with all exhibits and attachments hereto, the “**Agreement**”) is made and entered into as of this ____ day of February, 2025 (the “**Effective Date**”), by the City of Sturgis, (“**Utility**”), a Michigan municipal corporation organized under the laws of Michigan, and Electric City ESS LLC, a limited liability company organized under the laws of the State of Delaware (“**DG Owner/Operator**”), each hereinafter sometimes referred to individually as “**Party**” or both referred to collectively as the “**Parties**”.

WITNESSETH:

WHEREAS, Utility is a Michigan municipal corporation formed for the purpose of providing retail electric services to the citizens of the City of Sturgis and surrounding areas; and

WHEREAS, DG Owner/Operator intends to construct, own (together with any applicable financing party(ies)), and operate a ground-mounted Battery Energy Storage System (“**BESS**”) installation project (as further described in Exhibit A and inclusive of DG Owner/Operator’s Interconnection Facilities (the “**Project**” or “**BESS Project**”)) that will generate and deliver up to approximately 10 MW of alternating current to the facilities owned and operated by Utility for the distribution of electricity to its retail customers (the “**Distribution System**”); and

WHEREAS, Utility and DG Owner/Operator are entering into an ESS Discharge Rights Agreement of even date herewith for the purchase and sale of the Project’s electrical output (the “**PPA**”) concurrent with the execution and delivery of this Agreement; and

WHEREAS, the Parties desire to enter into this Agreement to provide for the safe and orderly operation of the electrical facilities interconnecting the Project and the Distribution System.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein set forth, and other good and valuable consideration, the receipt, sufficiency and adequacy of which are hereby acknowledged Utility and DG Owner/Operator, each intending to be legally bound, agree as follows:

1. Definitions. The definitions set forth in the introduction and recitals to this Agreement are hereby incorporated by reference as though set forth in full herein. For purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms will have the following meanings.

- a. “**Applicable Law**” shall mean, with respect to any Person or the BESS Project, all laws, statutes, codes, acts, treaties, ordinances, orders, judgments, writs, decrees, injunctions, rules, regulations, governmental approvals, licenses and permits, directives and requirements of all Governmental Authorities, in each case applicable to or binding upon such Person or the BESS Project (as the case may be).
- b. “**Billing Meter**” shall mean the metering and data processing equipment used to measure, record, or transmit data relating to the energy generated by the Project and to determine the amount of such energy delivered to the Delivery Point.
- c. “**Delivery Point**” shall mean the BESS Project’s point of interconnection between the BESS Project’s interconnection facilities, including the Utility’s Interconnection Facilities, and the Distribution System, more specifically described in Exhibit A.

- d. **“DG Owner/Operator’s Interconnection Facilities”** shall mean the interconnection facilities, control and protective devices and metering facilities, supplied by DG Owner/Operator and required to connect the BESS Project with the Utility’s Interconnection Facilities, as detailed in Exhibit A. For clarity, in relation to DG Owner/Operator, any reference to its “respective portion of the Interconnection Facilities” shall mean Owner/Operator’s Interconnection Facilities.
- e. **“Emergency Condition”** shall mean a condition or situation that, pursuant to Prudent Industry Practices, (i) is imminently likely to endanger, or is contributing to the imminent endangerment of, life, property, or public health and safety, (ii) is imminently likely to cause, or is causing, a material adverse effect on the security of, or damage to the BESS Project, the Interconnection Facilities, or the Distribution System.
- f. **“Financing Party”** means any Persons, or their respective trustees, agents, or successors in interest thereof (i) lending money, extending credit, or providing loan guarantees (whether directly to DG Owner/Operator or to an affiliate of DG Owner/Operator) as follows: (A) for the construction, interim, or permanent financing or refinancing of the Project, (B) for working capital or other ordinary business requirement of the Project (including the maintenance, repair, replacement, or improvement of the Project, (C) for any development financing, bridge financing, credit support, credit enhancement, or interest rate protection in connection with the Project, (D) for any capital improvement or replacement related to the Project, or (E) for the purchase of the Project and the related rights from DG Owner/Operator; or (ii) participating (directly or indirectly) as an equity investor (including a tax equity investor) in the Project; or (iii) any lessor under a lease financing arrangement relating to the Project.
- g. **“Force Majeure Event”** shall mean any event or circumstance that wholly or partly prevents or delays the performance of any material obligation arising under this Agreement, other than the obligation to pay amounts due, but only to the extent (i) such event is not within the reasonable control, directly or indirectly, of the Party seeking to have its performance obligation(s) excused thereby, (ii) the Party seeking to have its performance obligation(s) excused thereby has taken all reasonable precautions and measures in order to prevent or avoid such event or mitigate the effect of such event on such Party’s ability to perform its obligations under this Agreement, and (iii) such event is not the direct or indirect result of the fault or negligence of the Party seeking to have its performance obligations excused thereby.
- h. **“Governmental Approval”** shall mean an authorization, consent, approval, waiver, exception, variance, permit, license, or exemption of a Governmental Authority.
- i. **“Governmental Authority”** shall mean applicable national, federal, state, county, municipal and local governments and all agencies, authorities, departments, instrumentalities, courts, or other authorities lawfully exercising or entitled to exercise any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power, or other subdivisions of any of the foregoing having a regulatory interest in or jurisdiction over a Party, the Interconnection Facilities, the Distribution System, or the Project, as applicable. For clarity, “Governmental Authority” excludes Utility.
- j. **“Interconnection Facilities”** shall mean, collectively, the Utility’s Interconnection Facilities and the DG Owner/Operator’s Interconnection Facilities, all as detailed in Exhibit A.

- k. **“Utility’s Interconnection Facilities”** shall mean Utility’s backup metering (if any) and the interconnection facilities, distribution and/or transmission lines, control and protective devices and metering facilities, supplied by Utility and required to connect the BESS Project to the Distribution System that are located on Utility’s side of the Delivery Point, as detailed in Exhibit A attached hereto. For clarity, in relation to Utility, any reference to its “respective portion of the Interconnection Facilities” shall mean Utility’s Interconnection Facilities.
- l. **“MW”** shall mean megawatt (alternating current).
- m. **“Notice to Proceed”** shall mean a Notice prepared by DG Owner/Operator and provided to Utility to design, procure and construct Interconnection Facilities and Distribution Upgrade Facilities.
- n. **“Operator in Charge”** shall mean, with respect to each Party, the Person identified (whether by name or job title) by such Party as responsible for the daily operation of such Party’s portion of the Interconnection Facilities. This individual must be familiar with this Agreement. Each Party may update its Operator in Charge by written notice to the other.

The Operator in Charge for the DG Owner/Operator as of the Effective Date is:

Randall E. Wood
Managing Director
Electric City ESS LLC
430 E 8th Street, Unit 5010
Phone: (312) 330-5014
Email: rwood@prismpower.solar

The Operator in Charge for Utility as of the Effective Date is:

Chris McArthur
Electric Superintendent
City of Sturgis
206 E. West Street, Sturgis, MI 49091
269-659-7287
517-617-5433

- o. **“Person”** shall mean an individual, partnership, corporation, business trust, joint stock company, trust, unincorporated association, joint venture, governmental entity, limited liability company or any other entity of whatever nature.
- p. **“Prudent Industry Practices”** shall mean the practices, methods, and standards of professional care, skill, and diligence engaged in or approved by a significant portion of the electric generation industry for BESS facilities of similar size, type, and design, that during the relevant time period, in the exercise of commercially reasonable judgment, in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result consistent with Applicable Law, safety, environmental protection, and standards of economy and expedition. Prudent Industry Practices is not intended to be the optimum practice, method, or act to the exclusion of all others, but rather is intended to be any of the practices, methods and/or actions generally accepted in such industry.
- q. **“Transformer”** shall mean the generator step-up transformer for the Project, as more particularly depicted in Exhibit A.

2. **Governmental Approvals.** Each Party shall be responsible for obtaining and maintaining all Governmental Approvals (if any) necessary to construct, install, test, and operate its respective portion of the Interconnection Facilities, and otherwise to perform its obligations under this Agreement. DG Owner/Operator's construction, operation and maintenance of the BESS Project shall comply with Applicable Law and all necessary Governmental Approvals, including any easement or similar agreement governing DG Owner/Operator's right to utilize the property where the BESS Project is to be located.
3. **Maintenance.** Each Party shall be responsible for maintaining its respective portion of the Interconnection Facilities in accordance with Prudent Industry Practices. Each Party shall operate, maintain, repair, and inspect, and shall be fully responsible for the facilities that it now or subsequently may own unless otherwise specified in the Exhibits to this Agreement and shall do so in a manner as to reasonably minimize the likelihood of a disturbance adversely affecting or impairing the other party.
4. **Curtailments/Suspensions of Interconnection by Utility.** Without limiting DG Owner/Operator's rights as "Seller" with respect to any "Compensated Curtailment" under the PPA, Utility may from time to time and, in any event, on a non-discriminatory basis, temporarily disconnect the DG Owner/Operator's Interconnection Facilities from the Distribution System as described in this Section 4.
 - a. **For Cause:** If the operation of the DG Owner/Operator's Project or quality of electric energy supplied to the Delivery Point, in the case of power export, does not meet the applicable standards specified in Exhibit A, then Utility will notify the DG Owner/Operator to take reasonable and appropriate corrective action. If DG Owner/Operator's failure to meet such standards is causing an Emergency Condition, then Utility shall have the right to immediately disconnect the DG Owner/Operator's Project from the Distribution System using the disconnect switch described in Section 7 (Disconnecting Means) until such compliance is reasonably demonstrated so as to cease or prevent any such Emergency Condition. To the extent practicable, Utility shall give prior notice to DG Owner/Operator of any disconnections effected by Utility pursuant to this Section 4; provided, that, DG Owner/Operator acknowledges and agrees that Utility may immediately disconnect the DG Owner/Operator's Interconnection Facilities from Utility's Interconnection Facilities without notice if the operation of the Project imposes an imminent threat to life, property, or human safety.
 - b. **For Maintenance.** Although maintenance outages will occasionally be required on the Utility's Interconnection Facilities and/or the Distribution System, Utility shall use commercially reasonable efforts to perform any such maintenance without requiring or effecting any disconnection of the Project. If, notwithstanding such commercially reasonable efforts, such disconnection is required, Utility shall provide reasonable advance notice of such disconnection to DG Owner/Operator. In the event that, as of the date of such outage, (a) the PPA has expired or been terminated and (b) outages caused by such maintenance disconnections exceed an aggregate of three (3) days in any rolling three hundred sixty-five (365)-day period, Utility agrees to compensate DG Owner/Operator for the revenue lost as a result of the outage exceeding such three (3) day period.
 - c. **Forced System Outages.** In the event of (i) a mandatory direction or order by a Governmental Authority to meet an Emergency Condition or a reliability need of the applicable transmission system or (ii) a power outage on the portion of the Distribution

System serving the Project, Utility shall have the right to disconnect DG Owner/Operator's Interconnection Facilities (with notice of such disconnection provided as soon as reasonably practicable, which may be after effecting such disconnection), or to direct DG Owner/Operator to effect such disconnection as soon as reasonable practicable. Utility shall restore any such power outage as soon as possible, and DG Owner/Operator shall not reconnect its portion of the Interconnection Facilities until power has been restored.

5. Power Sales to Utility. Without limiting either Party's rights or obligations under the PPA, the Parties acknowledge that this Agreement does not, by its terms, constitute an agreement by Utility to purchase or wheel excess power.

6. Access: Utility, and its agents and employees, will have access to the Project for Delivery Point maintenance, operation, inspection and meter reading. Utility reserves the right, but not the obligation, to inspect the DG Owner/Operator's Interconnection Facilities and to verify DG Owner/Operator's equipment ratings. In undertaking any access permitted by this Section 6, Utility will comply with all applicable Project site rules and will observe the safety precautions of Prudent Industry Standards and Applicable Law.

7. Disconnecting Means.

a. If a direct-transfer-trip (DTT) is not required, the DG Owner/Operator shall install a gang-operated load-break disconnect switch at or near the Delivery Point, that will be owned and operated by the DG Owner/Operator. The disconnect switch must meet the Utility's standards for manufacturer and model. The disconnect switch will be marked "DG Disconnect". Utility's employees or its contractors may open the disconnect switch in accordance with Section 4 (*Curtailments/Suspensions of Interconnection by Utility*). Such disconnect switch must be capable of being locked in the "Open" position by Utility. The disconnect switch shall be a type that provides a visible air gap when in the "Open" position.

b. If a DTT is required, in addition to the disconnect switch described in Section 7a, the Utility will install a three-phase vacuum recloser and recloser control that will be owned and operated by the Utility. The recloser and recloser controller must meet the Utility's standards for manufacturer and model. Utility's employees or its contractors may open the recloser in accordance with Section 4 (*Curtailments/Suspensions of Interconnection by Utility*).

8. Generator Operation: Project installation, operation, and maintenance shall meet the applicable provisions of the following, each as in effect as of the Effective Date: IEEE 1547, UL 9540A, UL 9540 or IEC 62933-5-2, National Electric Safety Code, Underwriters Laboratories, and National Electrical Code, including with respect to synchronization, the maintenance of voltage stability, and regulation, and protection from short circuits. DG Owner/Operator is responsible for the ability of DG Owner/Operator's Interconnection Facilities to synchronize, as well as for the protection functions necessary within DG Owner/Operator's Interconnection Facilities to operate in parallel with the Distribution System, all as specified in the applicable standards identified in this Section 8.

9. Interconnection Facilities: Utility does not assume any duty of inspecting the DG Owner/Operator's lines, wires, switches, or other equipment or property constituting the Project for proper installation and/or operation and will not be responsible therefor. Each Party

assumes all responsibility for its respective portion of the Interconnection Facilities, as detailed in Exhibit A attached hereto.

- 10. Term:** Unless earlier terminated in accordance with the terms and conditions set forth herein, this Agreement shall continue in effect until the Project permanently ceases commercial operation; with the understanding that if the energy from the Generating Facility is sold or delivered to a party other than Utility, Utility may require DG Owner/Operator to execute a wheeling agreement with Utility on terms and conditions acceptable to the Utility in its commercially reasonable discretion.

11. Installation and Functional Testing Prior to Interconnection.

- a. Prior to energization of interconnection facilities, each Party shall design, procure, construct, install, and perform functional or other tests of its respective portion of the Interconnection Facilities in accordance with Prudent Industry Practices, Applicable Law, and any applicable Governmental Approvals, as well as the standards set forth for such activities in the applicable provisions of the following (each as in effect as of the Effective Date): IEEE 1547, UL 9540A, UL 9540 or IEC 62933-5-2, National Electric Safety Code, Underwriters Laboratories, National Electrical Code.
- b. Each Party shall use commercially reasonable efforts to cooperate and coordinate any parallel construction, installation, and testing activities so as to minimize any delay that the other Party may experience in performing its obligations hereunder.

12. Interconnection Testing; Test Energy.

- a. The DG Owner/Operator shall notify the Utility in writing when the Interconnection Facilities are mechanically complete and ready for interconnection testing in accordance with the requirements of IEEE 1547-2018 (“**Interconnection Testing**”).
- b. DG Owner/Operator shall notify the Utility at least seventy-two (72) hours in advance of initial energization and synchronization of the generator with the Distribution System.
- c. During each testing period, DG Owner/Operator shall have personnel on-site that can be contacted immediately by Utility or their agents. At least seventy-two (72) hours prior to testing, DG Owner/Operator shall provide telephone numbers or radio frequencies through which on-site personnel can be contacted. Immediately prior to testing, DG Owner/Operator’s on-site personnel will take commercially reasonable steps to confirm communications with Utility and their agents. (For purposes of this Section, DG Owner/Operator’s “personnel” may include personnel of DG Owner/Operator’s designated contractors on the Project.)
- d. DG Owner/Operator’s on-site personnel will keep Utility or their agents informed of the status of testing operations and inform Utility or their agents when such tests are concluded each day.
- e. The capacity test for the Project shall be deemed to have been satisfactorily completed once the Project successfully (i) produces energy in compliance with the terms of this Agreement for a required minimum number of intervals of operation during a two (2)

day test period and (ii) delivers energy to the Delivery Point, as measured by the installed Billing Meter.

13. Testing Records; Equipment Settings – The DG Owner/Operator shall provide to Utility all records of testing in accordance with IEEE 1547, UL 9540A, UL 9540 or IEC 62933-5-2. These records shall include testing at the start of commercial operation and periodic testing thereafter. Factory testing, if available to DG Owner/Operator, of pre-packaged Interconnection Facilities (if any) and the protective systems of small units shall be acceptable. In the case of a factory test, the DG Owner/Operator needs to provide a written description and certification by the factory of the test, the test results, and the qualification of any independent testing laboratory, to the extent reasonably available.

14. Interconnection Facilities. DG Owner/Operator shall be obligated to pay, or reimburse Utility for the reasonable, documented, out-of-pocket costs incurred by Utility in the design, procurement, construction, installation of Utility's Interconnection Facilities all as set forth in Exhibit A,

- a. **Interconnection Facilities.** Upon the issuance of the Notice to Proceed by DG Owner/Operator to Utility, DG Owner/Operator shall be responsible to pay the initial estimate for eighty percent (80%) of the Interconnection Facility costs, estimated to total \$216,000, to Utility.
- b. **Increases in estimated Interconnection Facility costs.** If Utility determines that the cost of the Interconnection Facilities varies significantly from the original estimate for Interconnection Facilities, Utility will notify the DG Owner/Operator in writing. Utility shall have the right to delay or suspend all construction of its Interconnection Facilities until DG Owner/Operator responds to the notice. If the DG Owner/Operator's response and acceptance of this new cost estimate is not received within five (5) business days, Utility may terminate this Agreement by written notice to the DG Owner/Operator. Upon such termination, Utility will refund, with interest, the DG Owner/Operator 's payment, less any expenses incurred to provide interconnection service to the location described in this Agreement.
- c. **Payment Schedule.**

Payment	Amount Due	Milestone Description	Due Date
1	80% or (\$172,800)	Providing Notice to Proceed under Interconnection Agreement	Prior to construction
2	20% or (\$43,200)	Construction Complete	Within thirty (30) days after completion of construction
3	True-up (Invoice or Refund)	Four weeks after Construction Complete	Within thirty (30) days after completion of true-up

All payments shall be made payable to Utility and shall be sent to City of Sturgis, Attention: City Clerk/Treasurer krhodes@sturgismi.gov, City Controller hkeyser@sturgismi.gov, and Electric Superintendent cmcarthur@sturgismi.gov, 130

N. Nottawa St., Sturgis, MI 49091, or by wire transfer to a Utility' bank account or such other manner or at such place as Utility shall, from time to time, designate by notice to DG Owner/Operator. Payments made by wire transfer shall reference the appropriate invoice number for which payment is being made. When Utility has determined that all costs and expenses are accounted for on its books, Utility will issue a final invoice or credit to reconcile the initial estimate with the final work order cost of the interconnection. The final work order cost will be reviewed and reconciled to the initial estimate for each portion of the interconnection covered under this Agreement. Any payment not made on or before the due date listed in the above table shall bear interest, from the date due until the date upon which payment is made, at an annual percentage rate of interest equal to the lesser of (a) the prime rate published by the Wall Street Journal (which represents the base rate on corporate loans posted by at least 75% of the nation's banks) on the date due, plus 2%, or (b) the highest rate permitted by law.

15. Financing Accommodations.

- a. Throughout the duration of this Agreement, DG Owner/Operator or DG Owner/Operator's Financing Party shall be the legal and beneficial owner of the Project at all times.
- b. DG Owner/Operator may, upon ten (10) days' prior written notice, but without the consent of Utility, assign this Agreement to a Financing Party for collateral security purposes in connection with any financing of the Project. In connection therewith, Utility agrees to execute a written consent in such form as DG Owner/Operator reasonably requests. The Financing Party as such collateral assignee shall be entitled to exercise any and all rights of lenders generally with respect to DG Owner/Operator's interests in this Agreement.

16. Insurance. DG Owner/Operator shall maintain commercial general liability insurance, including premises and operations, bodily injury, broad form property damage, products/completed operations, contractual liability and independent contractors protective liability all with a combined single limit liability of \$1,000,000 per occurrence and \$2,000,000 aggregate from an insurance company with a minimum A.M. BEST rating of "A-", in a form approved by Utility, which approval shall not be unreasonably withheld or delayed, insuring DG Owner/Operator, and naming Utility as additional insured, against any and all liability, for injury to or death of a person or persons and for damage to property occasioned by or arising out of the operations of DG Owner/Operator. The policy of insurance shall carry a provision giving Utility at least thirty (30) day written notice provision before the policy may be cancelled.

17. Force Majeure.

- a. Subject to the criteria of a Force Majeure Event identified in the definition thereof, events that could qualify as a Force Majeure Event include the following:
 1. acts of God, flooding, lightning, landslide, earthquake, fire, drought, explosion, epidemic, quarantine, storm, hurricane, tornado, volcano, other natural disaster, or unusual or extreme adverse weather-related events;

2. war (declared or undeclared), riot, or similar civil disturbance, acts of the public enemy (including acts of terrorism), sabotage, blockade, insurrection, revolution, expropriation, or confiscation;
 3. except as set forth in Section 17(b)(2) below, strikes, work stoppage, or other labor disputes (in which case the affected Party will have no obligation to settle the strike or labor dispute on terms it deems unreasonable);
 4. environmental and other contamination at or affecting the Project;
 5. accidents of navigation or breakdown or injury of vessels, accidents to harbors, docks, canals, or other assistances to or adjuncts of shipping or navigation, or quarantine;
 6. nuclear emergency, radioactive contamination or ionizing radiation or the release of any hazardous waste or materials;
 7. air crash, shipwreck, train wrecks, or other failures or delays of transportation;
 8. vandalism beyond that which could be reasonably prevented by DG Owner/Operator;
 9. the discovery of burial grounds;
 10. actions or inactions by a Governmental Authority taken after the Effective Date, but only if such actions or inactions are not the result of the affected Party's failure to comply with Applicable Law;
 11. the discovery of threatened or endangered species, as defined by Applicable Law;
 12. with respect to DG Owner/Operator as the affected Party, a failure preventing delivery of energy to the Delivery Point, which such failure relates to all or part of a transformer, circuit breakers, or any other switchgear, line, or associated equipment constituting any portion of Utility's Interconnection Facilities, excluding in all cases, any failure caused by DG Owner/Operator's breach of this Agreement.
- b. Notwithstanding anything herein to the contrary, a Force Majeure Event may not be based on:
1. lack of money or changes in economic or market conditions;
 2. a strike, work stoppage, or labor dispute to any one or more of a Party or its affiliates;
 3. with respect to Utility as the affected Party: (i) Utility's inability to economically use or resell the Product; (ii) the inability of Utility to obtain transmission or distribution service or the unavailability or interruption of transmission or distribution service; (iii) any inability

by Utility to achieve “Interconnection Readiness” on or before the “Interconnection Readiness Deadline”, as each such term is defined in the PPA; (iv) any inability of Utility to receive energy at the Delivery Point as a result of (A) breach of any interconnection agreement between Utility and a local electric utility or transmission provider, unless caused by the occurrence of an event that would otherwise constitute a Force Majeure Event hereunder, or (B) any other cause or event that does not physically prevent Utility from receiving energy at the Delivery Point; or

4. with respect to DG Owner/Operator as the affected Party: (i) DG Owner/Operator’s ability to sell energy at a price greater than that provided in the PPA, (ii) DG Owner/Operator’s inability to obtain sufficient labor to build or operate the Project, except to the extent caused by an event that would otherwise constitute a Force Majeure Event hereunder, or (iii) DG Owner/Operator’s failure to obtain financing or other funds, including funds authorized by a state or the federal government or agencies thereof, to supplement the payments made by Utility pursuant to the PPA.
- c. To the extent either Party is prevented by a Force Majeure Event from carrying out, in whole or in part, its obligations under this Agreement, and such Party gives written notice and details of the Force Majeure Event to the other Party as detailed below, then the Party impacted by the Force Majeure Event will be excused from the performance of its obligations to the extent impacted. As soon as practicable after learning of the commencement of a Force Majeure Event, the non-performing Party will provide the other Party with oral notice of the Force Majeure Event, and within two (2) weeks after learning of the commencement of a Force Majeure Event, the non-performing Party will provide the other Party with written notice in the form of a letter describing in detail the particulars of the occurrence giving rise to the Force Majeure Event claim.
 - d. The suspension of performance due to a claim of a Force Majeure Event must be of no greater scope and of no longer duration than is required by the Force Majeure Event.

18. Events of Default; Remedies.

- a. An “**Event of Default**” means, with respect to the Party that commits the Event of Default (the “**Defaulting Party**”), the occurrence of any of the following:
 - i. The failure by such Party to make, when due, any payment required pursuant to this Agreement, if such failure is not remedied within ten (10) business days after written notice thereof from the other Party (with respect to any Event of Default, the “**Non-Defaulting Party**”);
 - ii. Any representation or warranty made by such Party herein is false or misleading in any material respect when made or when deemed made or repeated, and the effect of such default is not remedied within thirty (30) days after written notice thereof from the Non-Defaulting Party;
 - iii. The failure by such Party to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) and such failure is not remedied within thirty (30) days after written

notice thereof from the Non-Defaulting Party; provided, however, that if such failure is not reasonably capable of being remedied within the thirty (30) day cure period, such Party will have such additional time (not exceeding an additional ninety (90) days) as is reasonably necessary to remedy such failure, so long as such Party promptly commences and diligently pursues such remedy; or

- iv. Such Party or its guarantor (if applicable) becomes insolvent or is a party to a bankruptcy, reorganization, insolvency, liquidation, receivership, dissolution, winding-up or relief of debtors, or any general assignment for the benefit of creditors or other similar arrangement or any event occurs or proceedings are taken in any jurisdiction with respect to the Party which has a similar effect (or, if any such actions are initiated by a third party, such action(s) is(are) not dismissed within sixty (60) days).

- v. An Event of Default under this Agreement shall constitute an event of default under the PPA. The Utility shall have the right to exercise all remedies under the PPA, the remedies being deemed to be cumulative.

- b. If an Event of Default is not cured as provided in this Section 18, the Non-Defaulting Party shall have the right to terminate this Agreement by written notice at any time until cure occurs, and be relieved of any further obligation hereunder and, whether or not that Party terminates this agreement, to recover from the Defaulting Party all amounts due hereunder, plus all other damages and remedies to which it is entitled at law or in equity, subject to Section 21(k) (*No Consequential Damages*). The provisions of this Section 18 will survive termination of this Agreement.

19. Termination: This Agreement may be terminated at any time upon the mutual written agreement of the Parties. In addition, DG Owner/Operator may terminate this agreement at any time by giving Utility thirty (30) days' written notice. To the extent applicable, any indemnification provisions in the PPA shall survive termination.

20. Retirement: Upon termination of this Agreement pursuant to Section 19 or at such time after any of the DG Owner/Operator's Interconnection Facilities described herein are no longer required, the Parties will take all appropriate steps to disconnect the BESS Project from the Distribution System. With respect to any portion of the DG Owner/Operator Interconnection Facilities, and any other facilities already installed or constructed pursuant to the terms of this Agreement on the DG Owner/Operator's side of the Delivery Point, DG Owner/Operator shall be responsible for all costs associated with the removal, relocation, or other disposition or retirement of such materials, equipment, or facilities. The provisions of this Section 20 will survive termination of this Agreement.

21. Indemnification: The DG Owner/Operator agrees to indemnify and hold harmless Utility from any claims, demands, costs, losses, injury, causes of action, damages or liability of whatsoever kind or nature, to the extent arising out of or resulting from DG Owner/Operator's negligence, willful misconduct, or breach of this Agreement; and to the extent permitted by law, Utility agrees to indemnify and hold harmless the DG Owner/Operator from any claims, demands, costs, losses, injury, causes of action, damages or liability of whatsoever kind or nature, to the extent arising out of or resulting from Utility's negligence, willful misconduct, breach of this Agreement, or Utility's exercise of its access rights under Section 7 (*Access*).

22. Environmental Releases. Each Party shall notify the other Party of the release any hazardous substances, any asbestos or lead abatement activities, or any type of remediation activities related to the Interconnection Facilities, which may reasonably be expected to affect the other Party. The notifying Party shall (1) provide the notice as soon as practicable, provided such Party makes a good faith effort to provide the notice no later than 24 hours after such Party becomes aware of the occurrence, and (2) promptly furnish to the other Party copies of any publicly available reports filed with any governmental authorities addressing such events.

23. Audit Rights. Each Party shall have the right, during normal business hours, and upon prior reasonable notice to another Party, to audit at its own expense the other Party's accounts and records pertaining to the other Party's performance or satisfaction of its obligations under this Agreement. Such audit rights shall include audits of the other Party's costs, calculation of invoiced amounts, and each Party's actions in an Emergency Condition. Any audit authorized by this Article shall be performed at the offices where such accounts and records are maintained and shall be limited to those portions of such accounts and records that relate to the Party's performance and satisfaction of obligations under this Agreement. Each Party shall keep such accounts and records for a twenty-four month period.

- a. If an audit by a Party indicates that an overpayment or an underpayment has occurred, a notice of such potential overpayment or underpayment shall be given to the other Party with a description of the basis therefor together with those records from the audit which supports such notice. Such a notice will constitute a Dispute Notice.

24. Disputes.

- a. In the event of any dispute arising under this Agreement (a "Dispute"), within seven (7) Days following the delivered date of a written request by either Party (a "*Dispute Notice*"), (i) each Party shall appoint a representative (individually, a "*Party Representative*", together, the "*Parties' Representatives*"), and (ii) the Parties' Representatives shall confer and then meet in person within fourteen (14) Days of delivery of the Dispute Notice if the dispute is not settled prior to that time. The Parties' Representatives shall meet to negotiate and attempt in good faith to resolve the Dispute quickly, informally and inexpensively with the specific goal of reconciling differences and allowing the Parties to continue in this Agreement for the mutual benefit of both Parties. In the event the Parties' Representatives cannot resolve the Dispute within fourteen (14) Days after delivery of the Dispute Notice, within seven (7) Days following any request by either Party at any time thereafter, each Party Representative (I) shall independently prepare a written summary of the Dispute describing the issues and claims, (II) shall exchange its summary with the summary of the Dispute prepared by the other Party Representative, and (III) shall submit a copy of both summaries to a senior officer of the Party Representative with authority to irrevocably bind the Party to a resolution of the Dispute. The senior officers for both Parties shall negotiate in good faith to resolve the Dispute, subject to any required internal approval of any such resolution by the Parties' respective senior management or board of directors. If the Parties have not resolved the Dispute within thirty (30) Days after delivery of the Dispute Notice, either Party may seek legal and equitable remedies.

25. Miscellaneous:

- a. **Applicable Law; Venue:** This Agreement shall be construed under the laws of the state of Michigan, without regard to the conflicts of law rules of such state. Each of the Parties hereto irrevocably consents and agrees that any legal action or proceedings with respect to this Agreement will be brought in or removed to the Federal District Court for the Western District of Michigan, or, if such court lacks or declines jurisdiction, the courts of the State of Michigan in St. Joseph County, to the exclusion of all other courts. Each Party hereby (i) accepts the non-exclusive jurisdiction of the aforesaid courts, (ii) irrevocably agrees to be bound by any final judgment (after any appeals) of any such court with respect to this Agreement, (iii) IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION, OR PROCEEDING WITH RESPECT TO SUCH DOCUMENTS BROUGHT IN ANY SUCH COURT, AND FURTHER IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY CLAIM THAT ANY SUCH SUIT, ACTION, OR PROCEEDINGS BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN ANY INCONVENIENT FORUM, (iv) agrees that service of process in any such action may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to such Party at its address set forth below, or at such other address of which the other Parties hereto has been notified, and (v) agrees that nothing herein will affect the right to effect service of process in any other manner permitted by law or limit the right to bring any suit, action, or proceeding in any other jurisdiction.
- b. **Entire Agreement:** Without limiting either Party's rights or remedies under the PPA, this Agreement constitutes the entire agreement between the Parties with respect to the subject matter of the Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of the Agreement.
- c. **Amendments:** Any provision of this Agreement may be amended or waived, but only if such amendment or waiver is in writing and is signed, in the case of an amendment, by all parties to this Agreement or, in the case of a waiver, by the party against whom the waiver is to be effective. Except as expressly provided herein, no failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.
- d. **Captions:** Section captions herein are for convenience of reference only and neither limit nor amplify the provisions of this Agreement and shall be disregarded in the construction hereof.
- e. **Invalidity:** If any provision of this Agreement or parts of a provision contained herein shall, for any reason, be held invalid, illegal, or unenforceable under the laws of the state referenced in Section 21(a) (*Applicable Law; Venue*), such determination of invalidity, illegality, or unenforceability shall not affect any other provision or part of a provision, but this Agreement shall be reformed and construed as if such invalid, illegal or unenforceable provision or part of a

provision had never been contained herein and shall be reformed so that it would be valid, legal and enforceable to the maximum extent permitted under Applicable Law.

- f. **Successors and Assigns:** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.
- g. **Third Party Beneficiaries:** No provision of this Agreement is intended to or shall confer any rights, benefits, remedies, obligations, or liabilities upon any person or entity other than the parties hereto and their respective successors and permitted assigns.
- h. **Assignment:** This Agreement will inure to the benefit of and will be binding upon the Parties and their respective successors and assigns. Subject to the next sentence, this Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent may not be unreasonably withheld, conditioned, or delayed. Notwithstanding the foregoing, no consent will be required for:
 - i. The delegation of duties by a Party to one or more subcontractors; provided, that such delegating Party shall remain fully responsible for the performance of all such duties hereunder;
 - ii. any assignment of this Agreement by DG Owner/Operator to any Financing Party as collateral security for obligations under the financing documents entered into with such Financing Party;
 - iii. any assignment by a Financing Party to a third party after the Financing Party has exercised its foreclosure rights with respect to this assignment or the Project;
 - iv. Any assignment or transfer of this Agreement by DG Owner/Operator to an affiliate of DG Owner/Operator, including through merger and by operation of law, consolidation, or sale of all or substantially all of DG Owner/Operator's stock, interests, or assets to or with such affiliate;
 - v. Any assignment or transfer of this Agreement by DG Owner/Operator to a Person that has, or whose affiliates collectively have, (i) comparable experience to DG Owner/Operator in operating and maintaining BESS photovoltaic generation assets comparable to the Project, and (ii) the financial capability to maintain the Project and perform hereunder; or
 - vi. Any assignment or transfer of this Agreement by DG Owner/Operator to a Person succeeding to all or substantially all of the assets of DG Owner/Operator.
- i. **Survival of Obligations.** In addition to the survival of contract terms that are specifically provided for in this Agreement or that may be provided in accordance with ordinary legal principles, the Parties expressly agree that to the extent necessary to enforce or resolve matters or claims that arise prior to the termination or expiration of this Agreement, the provisions of this Section 21 will survive the termination or expiration of this Agreement and the performance by the Parties of their obligations hereunder.

- j. **Notices.** Whenever this Agreement requires or permits delivery of a notice, unless otherwise specified in this Agreement, the Party with such right or obligation will provide a written communication in the manner specified herein and to the addresses set forth below. Subject to the last paragraph of this section, any notice made pursuant to the terms and conditions of this Agreement must be in writing and be: (i) delivered personally; (ii) sent by certified mail, return receipt requested; (iii) sent by a recognized overnight courier service, with delivery receipt requested; or (iv) sent by electronic mail transmission, provided that any notices of default, termination, or dispute must also be sent by one of the mechanisms described in clauses (i) through (iii):

To: City of Sturgis
130 N. Nottawa St.
Sturgis, MI 49091
Attn: Chris McArthur, Electric Superintendent
Email: cmcarthur@sturgismi.gov

With copy to:

General Council, tjreed@sturgislawfirm.com

To: Electric City Solar LLC
c/o Prism Power
430 E. 8th Street #5010
Holland, MI 49423
Email: legalnotices@prismpower.solar

A notice will be deemed to have been delivered as follows: (A) any notice given personally, through overnight mail or through certified letter will be deemed to have been received on delivery, (B) any notice given by express overnight courier service will be deemed to have been received the next business day after the same has been delivered to the relevant courier, provided the delivery to such courier occurred prior to such courier's deadline for next-day delivery, and (C) any notice given by electronic mail transmission (other than notices of default, termination, or dispute) will be deemed to have been received (I) on the business day sent, if sent on a business day before 5pm Eastern Time, or (II) on the first business day following the date sent, if not sent on a business day or if sent after 5pm Eastern Time on a business day.

- k. **No Consequential Damages.** EXCEPT AS EXPRESSLY PROVIDED HEREIN AND WITHOUT LIMITING ANY REMEDIES AVAILABLE UNDER THE PPA, (I) THE SOLE AND EXCLUSIVE REMEDY FOR ANY MONETARY DAMAGES UNDER THIS AGREEMENT SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES, AND (II) NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES UNDER, ARISING OUT OF, DUE TO OR IN CONNECTION WITH ITS PERFORMANCE OR NONPERFORMANCE OF THE AGREEMENT OR ANY OF ITS OBLIGATIONS HEREIN, WHETHER BASED ON CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, WARRANTY OR OTHERWISE.

- l. **Interpretation.** All headings or captions contained in this Agreement are for convenience of reference only, do not form a part of this Agreement and do not affect in any way the meaning or interpretation of this Agreement. A reference to either Party to this Agreement or in any other agreement or document includes such Party's predecessors, successors and permitted assigns. The word "or" will have the inclusive meaning represented by the phrase "and/or", unless the context clearly indicates that an exclusive meaning is intended. The Parties have participated jointly in the negotiation and drafting of this Agreement. Any rule of construction or interpretation otherwise requiring this Agreement to be construed or interpreted against either Party by virtue of the authorship of this Agreement does not apply to the construction and interpretation hereof. The terms such as "hereof," "herein," "hereto," "hereinafter" and other terms of like import are not limited in applicability to the specific provision within which such references are set forth but instead refer to this Agreement taken as a whole.
- m. **Counterparts and Electronic Documents.** An electronic transmission thereof, each of which shall be deemed an original. Any document generated by the parties with respect to this agreement, including this Agreement, may be imaged and stored electronically and introduced as evidence in any proceeding as if original business records. Neither party will object to the admissibility of such images as evidence in any proceeding on account of having been stored electronically.
- n. **No Partnership.** This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship, or partnership between the Parties or to impose any partnership obligation or partnership liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, the other Party.
- o. **General Representations and Warranties.** Each Party represents and warrants to the other the following as of the Effective Date: Such Party is duly organized, validly existing and in the case of DG Owner/Operator is, in good standing under the laws of the jurisdiction of its formation; the execution, delivery and performance by such Party of this Agreement have been duly authorized by all necessary municipal or corporate, partnership or limited liability company action, as applicable, and do not and shall not violate any law; and this Agreement is valid obligation of such Party, enforceable against such Party in accordance with its terms.

[Remainder of Page Intentionally Blank. Signatures Follow.]

IT IS SO AGREED, the day and year first above written:

DG Owner/Operator

Utility

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A
LIST OF INTERCONNECTION FACILITIES SCHEDULES AND DELIVERY POINT

Project Description: Installation of an approximately 10 MW BESS distributed energy resource (DER) including the following:

- See Attachment 1 to this Exhibit A.

Delivery Point: See Attachment 1 to this Exhibit A.

Interconnection Facilities Location: On and between the BESS Project and the adjacent to-be-constructed Utility-owned substation both of which are to be located on the parcel currently numbered 052-777-290-00 and located at the northwest corner of Bogen Road and South Nottawa Street at 233 Bogen Road, Sturgis, Michigan. Address and parcel numbers are subject to change as a result of parcel subdivision.

Transformer(s): See Attachment 1 to this Exhibit A.

Delivery voltage: 12.47 kV

Maximum Power Output Limit (kW/kVA): 10,000 kW

Generator Power Factor: 1.0 +/- 10%

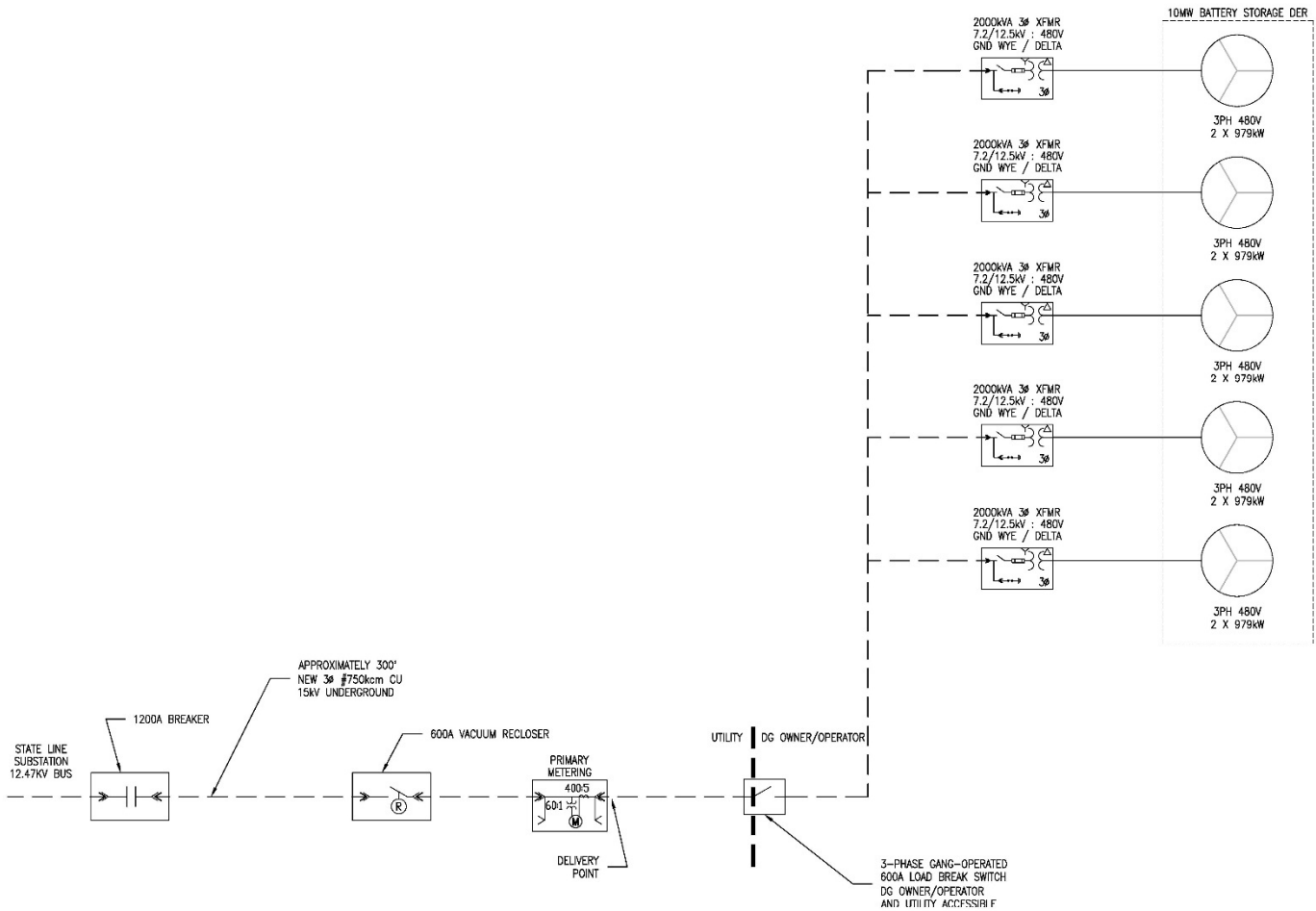
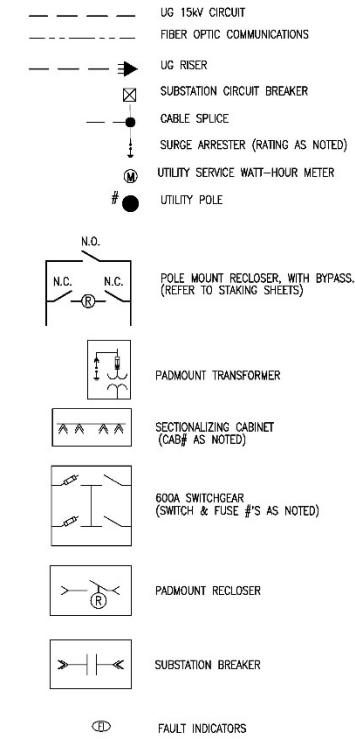
1. Metering (voltage, location, and other): See Attachment 1 to this Exhibit A.
2. One line diagram attached (check one): ☒ Yes / ☐ No
3. Utility's Interconnection Facilities:
 - a. See Attachment 1 to this Exhibit A.
4. DG Owner/Operator's Interconnection Facilities:
 - a. See Attachment 1 to this Exhibit A.
5. Other applicable standards (if any): N/A

Attachment 1
ONE-LINE DIAGRAM

[On following page]

P:\24-1577.01 STURGIS BATTERY STORAGE SYSTEM IMPACT STUDY\PODS\STURGIS BATTERY STORAGE DER CONNECTION DIAGRAM.DWG 6/24/2024 9:17:59 AM NWINSEMIUS

ONE-LINE DIAGRAM LEGEND



PRELIMINARY DRAWING

NOTES:
1. NOT ALL EQUIPMENT AND EXTENTS OF CIRCUIT SHOWN.

Copyright © 2024 GRP ENGINEERING, INC.

	ENL	NAW		
	DR	KMW		
	CK	MPM		
	APP	MPM	06-24-24	OWNERSHIP DEMARCATION UPDATE
			01-10-2024	SYSTEM IMPACT STUDY
			DATE	ISSUED FOR

GRP
Engineering, Inc.
PETOSKEY, MICHIGAN, 231-439-9683
GRAND RAPIDS, MICHIGAN, 616-942-7183

CITY OF STURGIS

PRISM POWER BATTERY STORAGE SYSTEM IMPACT STUDY

CLIENT LOCATION

PROPOSED BATTERY STORAGE DER CONNECTION DIAGRAM

PROJECT NUMBER	DRAWING NUMBER
24.1577.01	EL.01

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10C



Renewable Energy Plan Support Information

REP – Background and Purpose:

- The Clean and Renewable Energy and Energy Waste Reduction Act, or Public Act 235 (“PA 235”), passed into law in November 2023, requires all municipal electric utilities to file their own individual Renewable Energy Plan (“REP”) for 2025 – 2045 (21 years) with the Michigan Public Service Commission (“MPSC”) no later than February 27, 2025.
- The primary purpose of the REP is to show how a utility reasonably expects, based on what it knows today, to meet its renewable energy compliance requirements each year through 2045.
- The legislature recognized when crafting the law that a utility’s REP is just that, a plan that has been developed based on what is known today but will obviously change over time.
 - o This is best demonstrated by the fact that PA 235 requires a REP to be updated & filed with the MPSC every two years.

REP – Development Considerations:

- The REP represents how renewable energy compliance, through the obtainment of Renewable Energy Credits (“RECs”), will be achieved for the REP’s time horizon (i.e., 2025 – 2045).
- Though the REP does include power supply when RECs are bundled with energy and capacity from a renewable resource (Rows 21 and 22), this is not your utility’s power supply plan.
 - o Analysis of and recommendations for new power supply commitments, whether through renewable resources or other, will be performed according to the parameters outlined in MPPA’s Power Supply Risk Management Policy.

REP – Plan Details:

- The information in the top portion of the REP (Rows 11 – 18) is utilized to calculate how many RECs a utility must have in a particular year to achieve compliance with PA 235 for that year.
- The information in the bottom portion of the REP (Rows 20 – 29) specifies the number of RECs a utility is forecasted to have to begin a year, forecasted REC activity (REC obtainment and/or sale) during a year, and the year-end REC balance a utility is forecasted to have after compliance has been met.
- To demonstrate the REP meets PA 235 compliance, the ending REC balance (Row 29) must be positive every year.
- RECs obtained in the REP (Rows 21 – 23) are not 100% secured at this time.
 - o Based on current expectations, RECs that are not secured will be obtained from future renewable resource commitments (i.e., primarily solar and wind) or REC purchase (i.e., RECs without the associated energy and capacity) transactions.

**2025-2045 MUNICIPAL UTILITY
PA 235 RENEWABLE ENERGY PLAN SUMMARY**

STURGIS

Row #		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
1	Sales and Requirement Calculation										
2	Method: Weather Normalized or 3 Year Average										
3	If Selected Weather Normalized:										
4	Current Year Sales to Retail Customers										
5	Less Number of Megawatt Hours Sold from Michigan Nuclear Energy										
6	Current Year Weather Normalization Factor										
7	Less VGP Sales										
8	Less Outflow from DG Customers										
9	Current Year Weather Normalized Sales										
10	If Selected 3 Year Average:										
11	Current Year Retail Sales to Retail Customers	201,488	200,448	199,724	199,229	198,715	198,287	197,946	197,732	197,591	197,625
12	Less Number of Megawatt Hours Sold from Michigan Nuclear Energy	-	-	-	-	-	-	-	-	-	-
13	Less VGP Sales	-	-	-	-	-	-	-	-	-	-
14	Less Outflow from DG Customers	-	-	-	-	-	-	-	-	-	-
15	3 Year Average of Retail Sales	202,697	202,823	202,340	200,553	199,800	199,223	198,744	198,316	197,988	197,756
16	RECs Reported to Provider Subject to Section 29(4)	-	-	-	-	-	-	-	-	-	-
17	MWh Electricity Sold for PA-235 Compliance Requirement (Row 15 - 13 - 14 - 16)	202,697	202,823	202,340	200,553	199,800	199,223	198,744	198,316	197,988	197,756
18	RPS Required Energy Credits (Row 17 * Compliance Factor) (Compliance Factors: 2025-2029 = 15%, 2030-2034 = 50%, 2035+ = 60%)	30,405	30,424	30,351	30,083	29,970	99,611	99,372	99,158	98,994	98,878
19	Energy Credits										
20	Energy Credit Beginning Balance	156,830	197,692	238,535	279,451	331,572	383,750	366,234	343,301	320,529	297,867
21	Energy Credits Obtained Through Generation/BOT	8,811	8,811	8,811	8,811	8,811	8,811	8,811	8,811	8,811	8,811
22	Energy Credits Obtained Through PPA	31,206	31,206	31,206	42,142	42,088	42,033	67,628	67,575	67,521	67,468
23	Energy Credits Obtained Through REC Purchases	31,250	31,250	31,250	31,250	31,250	31,250	-	-	-	-
24	Plus: Energy Credits Obtained (Row 21 + 22 + 23)	71,267	71,267	71,267	82,204	82,149	82,094	76,440	76,386	76,332	76,279
25	Less: Energy Credits Sold	-	-	-	-	-	-	-	-	-	-
26	Available Energy Credits (Row 20 + 24 - 25)	228,097	268,959	309,802	361,655	413,721	465,845	442,673	419,687	396,861	374,146
27	Compliance Requirement (Row 18)	30,405	30,424	30,351	30,083	29,970	99,611	99,372	99,158	98,994	98,878
28	Less: Energy Credit Expiration	-	-	-	-	-	-	-	-	-	-
29	Energy Credit Ending Balance (Row 26 - 27 - 28)	197,692	238,535	279,451	331,572	383,750	366,234	343,301	320,529	297,867	275,268

**2025-2045 MUNICIPAL UTILITY
PA 235 RENEWABLE ENERGY PLAN SUMMARY**

STURGIS

Row #		2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045
1	Sales and Requirement Calculation											
2	Method: Weather Normalized or 3 Year Average											
3	If Selected Weather Normalized:											
4	Current Year Sales to Retail Customers											
5	Less Number of Megawatt Hours Sold from Michigan Nuclear Energy											
6	Current Year Weather Normalization Factor											
7	Less VGP Sales											
8	Less Outflow from DG Customers											
9	Current Year Weather Normalized Sales											
10	If Selected 3 Year Average:											
11	Current Year Retail Sales to Retail Customers	197,642	197,569	197,555	197,467	197,608	197,538	197,553	197,538	197,386	197,155	196,884
12	Less Number of Megawatt Hours Sold from Michigan Nuclear Energy	-	-	-	-	-	-	-	-	-	-	-
13	Less VGP Sales	-	-	-	-	-	-	-	-	-	-	-
14	Less Outflow from DG Customers	-	-	-	-	-	-	-	-	-	-	-
15	3 Year Average of Retail Sales	197,649	197,620	197,612	197,589	197,530	197,543	197,538	197,566	197,543	197,492	197,360
16	RECs Reported to Provider Subject to Section 29(4)	-	-	-	-	-	-	-	-	-	-	-
17	MWh Electricity Sold for PA-235 Compliance Requirement (Row 15 - 13 - 14 - 16)	197,649	197,620	197,612	197,589	197,530	197,543	197,538	197,566	197,543	197,492	197,360
18	RPS Required Energy Credits (Row 17 * Compliance Factor) (Compliance Factors: 2025-2029 = 15%, 2030-2034 = 50%, 2035+ = 60%)	118,590	118,572	118,567	118,553	118,518	118,526	118,523	118,540	118,526	118,495	118,416
19	Energy Credits											
20	Energy Credit Beginning Balance	275,268	246,346	217,323	188,184	175,899	163,447	150,785	154,885	158,683	162,211	165,489
21	Energy Credits Obtained Through Generation/BOT	8,811	8,811	8,811	8,811	8,811	8,811	8,811	8,811	8,811	8,811	8,811
22	Energy Credits Obtained Through PPA	80,857	80,737	80,617	97,458	97,255	97,053	113,811	113,526	113,243	112,961	112,681
23	Energy Credits Obtained Through REC Purchases	-	-	-	-	-	-	-	-	-	-	-
24	Plus: Energy Credits Obtained (Row 21 + 22 + 23)	89,668	89,548	89,429	106,269	106,066	105,864	122,622	122,338	122,054	121,772	121,492
25	Less: Energy Credits Sold	-	-	-	-	-	-	-	-	-	-	-
26	Available Energy Credits (Row 20 + 24 - 25)	364,936	335,894	306,751	294,453	281,965	269,311	273,407	277,223	280,737	283,984	286,980
27	Compliance Requirement (Row 18)	118,590	118,572	118,567	118,553	118,518	118,526	118,523	118,540	118,526	118,495	118,416
28	Less: Energy Credit Expiration	-	-	-	-	-	-	-	-	-	-	-
29	Energy Credit Ending Balance (Row 26 - 27 - 28)	246,346	217,323	188,184	175,899	163,447	150,785	154,885	158,683	162,211	165,489	168,565

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10D

February 4, 2025
24-1612.01

Chris McArthur
Electric Superintendent
City of Sturgis
130 North Nottawa Street
Sturgis, MI. 49091

**RE: State Line Substation
Control Building & Relay Panels
Bid Evaluation & Recommendation**

Dear Chris:

GRP Engineering has completed reviewing the bids submitted on February 3, 2025, for the State Line Substation Control Building & Relay Panels. Of the three suppliers solicited for bids, three (3) bids were received. Panel Built Inc. submitted the low bid for the project in the amount of \$546,800.00. Panel Built listed SEL, Inc. as the sub-supplier for the relay panels. Panel Built listed some exceptions in their bid. GRP Engineering believes that these are not significant in nature, and will not affect the outcome of the bid process. A list of the bids received is shown below.

<u>Contractor</u>	<u>Bid Price</u>	
Panel Built, Inc	\$546,800.00	<i>Low Bid</i>
Panelmatic	\$661,122.00	
Electrical Power Products	\$596,649.00	

GRP Engineering sees no reason not to accept the Panel Built, Inc bid. Please contact me should you have any questions regarding this evaluation.

Sincerely,
GRP Engineering



Nicholas Winsemius
Project Engineer



Office: 800.636.3873x564 Direct Line: 706.723.8446

Email: preith@panelbuilt.com

Website: www.PanelBuilt.com

Address: PO Box 2658 Blairsville, GA 30514



*Manufacturer of Pre-Fabricated Buildings, In
Plant Offices, SCIF's, Canopies, Shelters, Towers,
Stair Systems and Mezzanines.*

Section 179 Tax Advantages

We are pleased to present this proposal for your consideration. Below are the details and specifications for your project and our standard terms and conditions. If you have any questions, need any changes, or would like to see any additional options, please give me a call – I'm here to help! Thank you,

Patrick Reith

TO: Nic Winsemius | Verdantas
JOB: State Line Substation

PROPOSAL NO: 155773
DATE: February 3, 2025

Qty (1) 15' x 28' x 10' Pre-Assembled Welded Steel Control Building

Base Amount of Proposal:	\$ 266,850.00
1. Optional Relay Panel Provision and Installation:	\$ 233,150.00
2. Optional PE Stamped Drawings	\$ 4,400.00
3. Optional MEP Drawings	\$ 4,400.00
4. Optional Offload & Anchor (w/ Equipment):	\$ 20,000.00
5. Optional Shipping & Handling to MI 49091:	\$ 18,000.00

(Subject to Change) **Due to the volatile nature of fuel and transportation costs this estimate is subject to change based on market conditions at the time of shipment.

▪ **Optional Total US Dollars \$ 546,800.00**

CLARIFICATIONS & EXCLUSIONS:

- Third Party Inspections and State Approval are Excluded if Third Party option is not selected.
- Permitting (If Required) By Others
- Foundations and/or Footers by Others
- **Equipment Rental Provided by the Customer (if optional install is not taken)**
- **Any applicable Sales Tax is not included.**
- **Unloading and staging materials is provided by the Customer (if optional install is not taken)**
- Permits, bonds, licenses, or fees as may be required by governing agencies.
- Relocation or modification of existing buildings or structures Provided by the Customer
- The final connection to any utilities is by others.
- Professional Liability and Pollution Liability Insurance are not included.
- **Compliance with appropriate building codes is the responsibility of the purchaser of the building.**
- BIM and 3D modeling is not included

Lead Times: The fabrication lead time after we receive signed approvals. Current global supply chain conditions can hurt lead time.

- | | |
|----------------------------------|----------------------------------|
| • Steel Buildings | 14-16 weeks |
| • Preliminary Submittal drawings | 10-15 business days |
| • Optional PE Stamped Drawings | Adds 1-3 weeks to the Lead time. |
| • Custom Electrical Items | 22 weeks |

Exterior Building rated for 115 mph wind load – 43 psf snow load.

The quote may not conform to all the materials specified. The quote will conform to our standard construction methods as specified in the proposal and shall meet the intended functionality and purpose. Any items that are of high priority concern and cannot be substituted should be brought to my attention for revision.

Exclusions: **Provided on Site by Others**

- Network cabinet shall be provided on site, by others.
- Interior Furniture / Equipment
- Any additional M.E.P. items **not** listed in this proposal.

Floor-Steel: 420 SF

The Steel floor shall consist of welded steel tubes, channels, and/or structural "I" beams. A weather shield consisting of the .040 aluminum sheet attached to the underside shall be insulated with Enviroseal Spray foam or equal to create a Class II vapor retarder that controls airflow and creates a tight building envelope.* R-Value of approximately 7.2 per inch to a minimum R-value of R-18. The deck shall be a 3/4" tongue and groove (T&G) Advantech or equal substrate with 1/4" Painted steel treadplate finished floor.

The floor shall have all required cutouts for electrical and communication conduits. Structures shall be equipped with lifting Lugs for off-loading and placement by crane, and with provisions for anchoring to the concrete slab.

We recommend a concrete floor slab thickness construction is 6 inches minimum. It must meet compressive strength requirements (usually 3000 pounds per square inch) Specific site locations should be taken into consideration with final design. Check local building guidelines to determine how deep the footer is to be. The building shall be anchored using (4) anchors 1/2" x 4" minimum length Hilti or equal expansion anchors provided by Panel Built installed on-site by others.

Steel Walls: 86 LF @ 10' High

The walls shall be 3" thick; Framing shall be 14 gauge (1.78 mm) or heavier mechanical tube. All joints shall be MIG welded with 16 ga. Galvannealed steel panel exterior and 030" Smooth or pebbled White HDPE laminated to 1/2" plywood interior panel.

Finish

The walls shall be painted using a prime-to-paint system manufacturer's epoxy primer with a urethane finish. Standard is 4-6 mils DFT. Color selected from the manufacturer's standard colors. The standard sheen shall be a Satin finish. The exterior and the interior shall be the same color.

Standard paint: Paint System: Corlar Primer 2.8 PR - 3-5 mils DFT Imron Topcoat 3.5 HG - 1.5 – 2 mils DFT

Insulation

All wall panels shall be insulated with Enviroseal Spray foam or equal to create a Class II vapor retarder that controls airflow and creates a tight building envelope.* R-Value of approximately 7.2 per inch to a minimum R-value of 18.

Gable Roof/Ceiling

Exterior Roof Panel: Fabricated from 3/4" tongue and groove (T&G) Advantech or equal; with EPDM membrane, continuously welded seam. Roof shall have a 4:12 pitch. Underside of roof shall be Interior Ceiling Panel: 030" Smooth or pebbled White HDPE laminated to 1/2" plywood interior panel. Roof panels shall be insulated with Enviroseal Spray foam or equal to create a Class II vapor retarder that controls airflow and creates a tight building envelope. * R-Value of approximately 7.2 per inch to a minimum R-value of 18. The roof shall drain with gutter and downspout(s).

Doors

20 Gauge Insulated Steel Door with 1/2 Glass: 1 Each

The door(s) shall be 36"w X 84"h X 1 3/4" thick and shall be constructed of painted 20-gauge hot dipped galvanized steel, mill treated for proper paint adherence. The door shall have a top and bottom channel of 16-gauge steel projection welded to door skins on no less than 2" centers. The top channel is to be flush while the bottom channel is to be inverted. The hinge preparations are to be 9-gauge steel reinforcements projection welded to the door skins in six places each. Hinge preparation is to be cut through the doors and provided with reversible filler plates to allow building site handling. Standard hinge preparation is to be 4-1/2" regular weight .134" hinge, conforming to ANSI A1567, three preparations. The door frame shall be 16-gauge single "rabbet" commercial quality steel. The frame shall be pre-mortised for application of matching hinges and striker set of the door. The door shall be supplied with all necessary hardware to meet local and state code requirements. The door shall be fabricated as to include 1/8" tempered glass in the upper half. The window shall measure approximately 23"w X 29"h. Each door includes a panic bar, closer, sweep, threshold, satin chrome lever set, Door Rain Drip Guard, and weather-stripping. All lever sets are keyed alike.

20 Gauge Insulated Steel Door with ½ Glass: 1 Each

The door(s) shall be 44"w X 96"h X 1 3/4" thick and shall be constructed of painted 20-gauge hot dipped galvanized steel, mill treated for proper paint adherence. The door shall have a top and bottom channel of 16-gauge steel projection welded to door skins on no less than 2" centers. The top channel is to be flush while the bottom channel is to be inverted. The hinge preparations are to be 9-gauge steel reinforcements projection welded to the door skins in six places each. Hinge preparation is to be cut through the doors and provided with reversible filler plates to allow building site handling. Standard hinge preparation is to be 4-1/2" regular weight .134" hinge, conforming to ANSI A1567, three preparations. The door frame shall be 16-gauge single "rabbet" commercial quality steel. The frame shall be pre-mortised for application of matching hinges and striker set of the door. The door shall be supplied with all necessary hardware to meet local and state code requirements. The door shall be fabricated as to include 1/8" tempered glass in the upper half. The window shall measure approximately 23"w X 29"h. Each door includes a panic bar, closer, sweep, threshold, satin chrome lever set, Door Rain Drip Guard, and weather-stripping. All lever sets are keyed alike.

Electrical Package:

The electrical package shall consist of #12 Ga. Min copper wiring in galvanized rigid metal conduit and attached to surface-mounted 2x4 boxes at receptacle and switch locations. Some branch circuits may use copper wiring #12 minimum MC cable and be concealed in ceiling or walls. Load Center / Panelboard shall be surface mounted.

There shall be **(6)** wall switches, **(7)** duplex receptacles, **(2)** Exterior LED flood fixtures (w/ photocell), **(2)** Exit Signs with Battery Backup, **(8)** VAC LED fixtures, and **(8)** DC LED fixtures.

AC Panelboard: 1 Each

Square D type NQOD panelboard shall be provided with specifications matching specification provided on page 16499-3 of Section 16499 of the Control Building specification.

DC Panelboard: 1 Each

Square D type I-Line HCN panelboard shall be provided with specifications matching specification provided on page 16499-3 of Section 16499 of the Control Building specification.

Automatic Transfer Switch: 1 Each

ASCO Transfer switch series 185 shall be provided with specifications matching specification provided on page 16499-3 of Section 16499 of the Control Building specification.

Disconnect Switch: 2 Each

Fused Disconnect switches (Square D) shall be provided with specifications matching specification provided on page 16499-4 of Section 16499 of the Control Building specification.

Yard Lighting Contactor: 2 Each

Yard Lighting Contactor (Square D) shall be provided with specifications matching specification provided on page 16499-4 of Section 16499 of the Control Building specification.

Cable Tray:

Cable tray (B-Line or equal) shall be provided with specifications matching specification provided on page 16499-4 of Section 16499 of the Control Building specification.

Battery Package:

- Qty (60) SBS, STT2V200, Tubular Lead Selenium, Battery, 220AH
- Qty (1) EQ1UOSS002036001, 2STEP SEISMIC RACK, 141.73"LX29.13"WX23.62"H
- Qty (1) SPILL SYSTEM W/ 36 PILLOWS, 151"LX34"WX4"H
- Qty (1) Hindle, 130VDC Charger, 25amps, 240VAC, Single Phase, 235lbs, 5054 Case

HVAC - Cooling and Heating (Package Unit): 2 Each @ 3.5 Tons

HVAC shall consist of a "Package" unit. This unit shall be of ample capacity to allow for approximately 400 square feet per ton of cooling and heating. The unit shall be mounted at floor level or on the wall (Bard Unit) of the modular building. All ductwork shall be located on top of the drop ceiling or the roof deck with penetration only for register access. As a minimum, all HVAC and related items shall be by local and state building codes.

Exhaust Fan: 1 Each

An exhaust fan model H2FAN-12x12-110VAC shall be provided.

Relay Panel Information:

1.2 Clarifications

1. SEL developed the scope of work, schedule, and price based on the information provided to us as listed in the proposal. Should additional or changed work be required, including such work resulting from unusual conditions or for any other reasons that are not evident from the information provided, changes to the price or schedule may result.
2. SEL will assign a project manager to the project. The project manager will oversee and maintain the schedule within SEL. The project manager will also be the point of contact with the Customer in order to maintain a smooth flow of information
3. SEL scope is limited to the hardware defined in Section 2.1 Bill of Materials Tables 1–4 and the engineering deliverables defined in Section 2.2. Should there be a change in hardware or a change in engineering content, changes to the price or schedule may result.
4. Special specifications identified after award may be subject to additional costs per Section 2.5.
5. By standard and because of safety reasons SEL Panels Factory use a battery-powered crimping tool that requires much less hand force from our wiring operators and therefore significantly reduces the risk of injury for carpal tunnel syndrome of our personnel. Our process has been tested and compared to process with manual crimpers and quality & performance results obtained are completely satisfactory and even better than results with manual crimpers.
6. All as-built drawings based on customer design will be submitted in PDF.
7. SEL is offering textured coat paint finish on panels (interior and exterior).
8. For bi-color panel requirements, white paint will be applied to back plates and internal side panels only, unless otherwise specified. SEL will apply textured coat paint finish on the interior and exterior of the panel.
9. SEL is offering our SEL-387 part number 0387504X53XX4XX instead of 0387004X53XX4XX. The part number required is obsolete, if Customer desires a different part number and provide a valid part number, SEL will be happy to quote it.
10. SEL is offering our SEL-351S part number 0351S6X3D3E5421 instead of 0351S6X363A5421. The part number required is obsolete, if Customer desires a different part number and provide a valid part number, SEL will be happy to quote it.
11. SEL is offering our SEL-2523 part number 2523013200XA0XX instead of 2523013100XA0XX. The part number required is obsolete, if Customer desires a different part number and provide us a valid part number, SEL will be happy to quote it.
12. SEL is not offering development of panel layout, schematics nor wiring diagrams in this proposal.

1.3 Exceptions

1. No exceptions applied to this proposal.

1.4 Exclusions

This proposal does not include the following services. If you are interested in these services, SEL can provide a quote:

- Onsite work, field services, or installation
- Site acceptance testing
- Customer training
- Supply of equipment necessary for testing of relays
- Special tools for maintenance or installation
- Setting of protective relays or programming of human-machine interface (HMI)

2 Scope of Supply

The scope of supply includes all necessary labor, design, diagrams, materials, equipment, and services required for the manufacture and delivery of the items as defined in Section 1 Scope of Services and Section 2.1 Bill of Materials.

In the event a part, other than protective relays, is not obtainable or develops a lengthy lead time, SEL will consult with the customer to determine if the project deadline can be extended or the part can be substituted with an alternate manufacturer's model that will meet or exceed the specifications of the original part.

2.1 Bill of Materials

Table 1. Panel No. 1 BOM.

Item	Qty	Manufacturer	Part/Model Number	Description
1	1	SEL	TBD	Open Back Rack (30x24x90)
2	1	SEL	240700013	SEL-2407 Satellite-Synchronized Clock
3	1	SEL	0311C113R3E54X1	SEL-311C Transmission Protection System
4	1	SEL	0311L13EE3254XXXX	SEL-311L-1, -7 Line Current Differential System
5	1	SEL	3350#2M1F	SEL-3350 Automation Controller
6	2	SEL	C605A-010	SEL-C605A Serial Cable for SEL-3390 S8 (RS-232, DTE-DTE, RJ-45 M/DB9 M, IRIG-B, Hardware Flow Control)
7	1	SEL	C273A-015	SEL-C273A Serial Cable (RS-232, DTE-DTE, DB9 M/DB9 M, IRIG-B, Hardware Flow Control)
8	1	SEL	C953-010	SEL-C953 RG58A/U Coaxial Cable With BNC Male Connectors, 10 Feet
9	2	ABB	FR3G183036036	Test Switch, FT-19, 30 pole
10	1	ABB	FR3G036036036	Test Switch, FT-19, 30 pole
11	1	Crompton	007-146A-PRAE-C6	Synchroscope, "Slow -Fast"
12	1	Novatech (Bitronics)	VTALE120000300	TriPLex Digital, Voltmeter, 125VDC powered
13	3	BUSSMANN	RM25030-3SR	Fuse Block 3-P 30A, 250V

14	2	BUSSMANN	RM25030-1SR	Fuse Block 1-P 30A, 250V
15	22	Bussmann	FRN-R-6	Fuse, 6A. Eleven (11) of total qty will be provided as spare.
16	8	GE	116B6708G47W73C4	Indicating Light, white, 70VAC, with LED lamp. One (1) of total qty will be provided as spare.
17	13	States	M-25012	12 pt Terminal blocks, Slide-Link. One (1) of total qty will be provided as spare.
18	5	States	M-25104G	4pt Terminal block, Shorting type. One (1) of total qty will be provided as spare.

Table 2. Panel No. 2 BOM.

Item	Qty	Manufacturer	Part/Model Number	Description
1	1	SEL	TBD	Open Back Rack (30x24x90)
2	1	SEL	0311C113R3E54X1	SEL-311C Transmission Protection System
3	1	SEL	0311L13EE3254XXXX	SEL-311L-1, -7 Line Current Differential System
4	1	SEL	0587Z0X325312XX	SEL-587Z High-Impedance Differential Relay
5	3	SEL	C605A-015	SEL-C605A Serial Cable for SEL-3390 S8 (RS-232, DTE-DTE, RJ-45 M/DB9 M, IRIG-B, Hardware Flow Control)
6	3	ABB	FR3G183036036	Test Switch, FT-19, 30 pole
7	1	ELECTROSWITCH	7808D	Manual reset LOR, 08 decks
8	2	BUSSMANN	RM25030-1SR	Fuse Block 1-P 30A, 250V
9	4	Bussmann	FRN-R-6	Fuse, 6A. Two (2) of total qty will be provided as spare.
10	2	GE	116B6708G47W73C4	Indicating Light, white, 70VAC, with LED lamp. One (1) of total qty will be provided as spare.
11	2	GE	116B6708G43A73A4	Indicating Light, amber, 70VAC, with LED lamp. One (1) of total qty will be provided as spare.

12	10	States	M-25012	12 pt Terminal blocks, Slide-Link
13	8	States	M-25104G	4pt Terminal block, Shorting type,

Table 3. Panel No. 3 BOM.

Item	Qty	Manufacturer	Part/Model Number	Description
1	1	SEL	TBD	Open Back Rack (30x24x90)
2	1	SEL	0387504X53XX4XX	SEL-387-0, -5, -6 Current Differential and Overcurrent Relay
3	2	SEL	0351S6X3D3E5421	SEL-351S Protection System
4	1	SEL	0735BX10944EFXXXXX16101XX	SEL-735 With Monochromatic Display
5	4	SEL	C605A-020	SEL-C605A Serial Cable for SEL-3390 S8 (RS-232, DTE-DTE, RJ-45 M/DB9 M, IRIG-B, Hardware Flow Control)
6	1	SEL	C273A-020	SEL-C273A Serial Cable (RS-232, DTE-DTE, DB9 M/DB9 M, IRIG-B, Hardware Flow Control)
7	2	ABB	FR2G183036183	Test Switch, FT-19, 30 pole
8	1	ABB	FR2G183036209	Test Switch, FT-19, 30 pole
9	1	ELECTROSWITCH	7808D	Manual reset LOR, 08 decks
10	1	INCON	1250-LTC-0-I-S-120	Transformer LTC Rotary Position Indicator, W RS232 OUTPUT
11	1	BUSSMANN	RM25030-3SR	Fuse Block 3-P 30A, 250V
12	1	BUSSMANN	RM25030-1SR	Fuse Block 1-P 30A, 250V
13	8	Bussmann	FRN-R-6	Fuse, 6A. Four (4) of total qty will be provided as spare.
14	2	GE	116B6708G47W73C4	Indicating Light, white, 70VAC, with LED lamp. One (1) of total qty will be provided as spare.

15	2	GE	116B6708G43A73A4	Indicating Light, amber, 70VAC, with LED lamp. One (1) of total qty will be provided as spare.
16	14	States	M-25012	12 pt Terminal blocks, Slide-Link
17	6	States	M-25104G	4pt Terminal block, Shorting type,

Table 4. Panel No. 4 BOM.

Item	Qty	Manufacturer	Part/Model Number	Description
1	1	SEL	TBD	Open Back Rack (30x24x90)
2	5	SEL	C605A-020	SEL-C605A Serial Cable for SEL-3390 S8 (RS-232, DTE-DTE, RJ-45 M/DB9 M, IRIG-B, Hardware Flow Control)
3	1	SEL	2523013200XA0XX	SEL-2523 Annunciator Panel
4	4	SEL	0351S6X3D3E54X1	SEL-351S Protection System
5	4	ABB	FR3G183036036	Test Switch, FT-19, 30 pole
6	14	States	M-25012	12 pt Terminal blocks, Slide-Link
7	4	States	M-25104G	4pt Terminal block, Shorting type,

2.2 Schedule

Lead time will be confirmed after receipt of a complete purchase order and can be subject to change due to special situations or supply chain variations for third-party components. Delivery of panels is typically 12 to 14 weeks after receipt of purchase order.

Deliverable	By Customer	By SEL	Schedule
Issue for Construction (IFC) Bill of Materials (BOM)	✓		Within one week after receipt of PO
IFC structural drawing	✓		Within one week after receipt of PO
IFC panel layout drawing	✓		Within one week after receipt of PO
IFC nameplate list	✓		Three weeks after receipt of PO
IFC ac/dc schematic diagrams	✓		Five weeks after receipt of PO
IFC wiring diagrams	✓		Five weeks after receipt of PO
Factory testing		✓	10-12 weeks after receipt of PO
Panel(s) ship		✓	11-13 weeks after receipt of PO
Panels arrive at customer site		✓	12-14 weeks after receipt of PO
An electronic copy of relay manuals An electronic copy of as-builts		✓	Provided with panel shipment

The following details apply to the schedule:

- Lead times quoted are to be verified at time of purchase order between SEL and the Customer because production capacity may vary between quoted date and purchase order date. A schedule will be communicated after receipt of purchase order.
- The schedule will be equitably adjusted in the event of changes in scope or in the event of delays attributable to the Customer, Customer's agents or contractors, unforeseen conditions, or causes beyond the control of SEL.
- Schedule is subject to acceptable payment and credit terms.
- All as-built drawings based on customer design will be submitted in PDF.

2.3 Equipment Specifications

- Equipment, materials, and accessories will be furnished, mounted, and connected as indicated on the drawings. Equipment, materials, and accessories listed by catalog number will be furnished as specified.
- SEL will provide miscellaneous materials included but not limited to: nuts and screws, cable ties, insulated ring tongue connectors, cable troughs for horizontal wiring, wire, and nameplates required to complete the panel.

- Panel thickness will be nominal 1/8", 11 gauge, cold-rolled sheet steel, formed with rolled lip on top, bottom, and sides.
- Open back cabinet size will be 30" wide x 30" deep x 90" high.
- Color of finish will be ANSI No. 61 Light Gray. The interior of the panel is to be primed and painted Gloss White. SEL is offering textured coat paint finish on panels.
- Insulated compression-type ring tongue connectors will be used for all terminations except for devices designed for direct wire terminations. Direct wire connection terminals accommodate a maximum of two wires.
- There will be no splices in the wiring.
- #10 AWG wire will be used to wire all CT circuits. All other circuits will be wired using #12 AWG wire. Other wire gauges will be used at SEL's discretion, where required by manufacturing specifications. Green wire will be used for all ground wires. All other wire will be gray.
- SEL will provide complete factory wiring for the control panel and equipment mounted in the panel. Wire and cable will be type SIS, rating 600 volts, 90°C. Panel-to-panel wiring/connections are not part of this scope.
- All internal wiring and cabling will be heat-shrink labeled at both ends with the destination of the wire.

2.3.1 Project Specifications

- If drawing templates, standards, and reference drawings are not supplied by the Customer, SEL will develop drawings per SEL standards.
- SEL preference is to receive Issued for Construction (IFC) drawings in both, .dwg and .pdf files.

.dwg (AutoCAD) files are to be used to translate engraving information minimizing typing errors and to verify dimensions on retrofit plates and any other custom sheet metal where a structural drawing is not present.

.pdf files are to be used to mark up any redlines on drawings and released to production. We will send the customer the .pdf redlined As-Built drawings at the end of the project so the customer can update their drawings accordingly.

- Drawings will be transmitted electronically to expedite approval turnaround time.
- All as-built drawings based on customer design will be submitted in PDF.
- SEL will provide manuals in digital format. If the Customer desires paper manuals (i.e., hardcopy), these can be supplied at an additional cost.
- Panels will be packaged for ground shipping.

- Panels will not be packaged in weather-resistant packaging and should be stored in a warm, dry place. Should weather-resistant packing be required, SEL can include this service at an additional cost.
- SEL has not included any independent product certifications (i.e., UL, ETL, ANSI, NEMA, Seismic, etc.) in the scope of this proposal. If a specific independent product certification is required, SEL will revise the proposal accordingly.

2.4 Factory Testing

After factory assembly and wiring of equipment, SEL conducts factory tests to verify correct wiring operation of equipment.

Factory testing activities include the following:

- Test checkout (general workmanship, point-to-point wire continuity)
- AC/DC circuit operational tests
- Insulation testing (1000V dc Megger)

Factory testing does not include:

- Data cable connection checkout
- Communications status checkout

Inspection activities do not include additional testing or processes. Additional services will subject the Customer to additional charges as set forth in Section 2.5 Change in Scope.

2.5 Change in Scope

In the event of a change in scope, the contract amount and schedule shall be equitably adjusted. The party identifying a potential change in scope will request the change of scope to the other party in writing. SEL will identify any budget or schedule impact and submit it for approval. SEL will proceed with the work as soon as SEL receives written approval, in accordance with the established contract provisions. Delays in approvals may impact the schedule.

3 Payment and Work Schedule

3.1 Invoicing and Milestone Activity

Invoicing will be 100% upon shipment for companies with established credit terms. Partial shipments will be invoiced and are payable as they occur.

3.2 Payment and Credit Terms

If your company does not have established credit terms sufficient to cover this purchase, SEL reserves the right to require any of the following: credit information, prepayment, letter of credit, or progress payments prior to acceptance.

Work cannot be initiated until adequate credit terms have been established.

Payment Terms: Net 30 days after date of invoice.

3.3 Field Services

SEL now offers installation services for all SEL Panel products. Our services include panel installation, panel demolition, panel testing, panel integration of control/communication cabling. SEL can also manage fiber terminations and cabling to equipment external to your Control House. Our experienced technicians are substation entry qualified and consistently deliver on quality and safety. Please contact us at enclosures@selinc.com to learn more about how we can support your panel project beyond delivery.

4 SEL Terms and Conditions

To accept this proposal and attached terms, please return this sheet, signed and dated.

Panel Built	Schweitzer Engineering Laboratories, Inc. ("SEL") 2350 NE Hopkins Court Pullman, WA 99163 USA
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Contract Information (to be completed by client):

	Client PO/ Reference/Contract#: _____
Contract Amount: \$ _____	
Ship To Address: _____	
Bill To Street Address: _____	
Bill To Email Address: _____	

- 1. General Terms.** These sales terms ("Terms") shall govern all sales of Products and Services to Buyer by Schweitzer Engineering Laboratories, Inc., its affiliates, subsidiaries, and/or divisions, (collectively, "SEL"), unless other terms are specified in SEL's quotation or sales order acknowledgment or unless otherwise agreed by SEL in writing. All sales are expressly limited to these Terms and are conditional on Buyer's assent to these Terms. Buyer's assent to these Terms shall be deemed given upon the occurrence of any of the following: (i) Buyer's failure to object to these Terms in writing within three (3) days from the date of its receipt of them, (ii) Buyer's issuance of a purchase order, or (iii) Buyer's acceptance of delivery of Products or Services. SEL expressly objects to any additional or different terms proposed by Buyer, unless expressly agreed to in writing by SEL. For the purposes of these Terms and unless stated otherwise, "Products" shall mean the products manufactured by SEL, including SEL systems or control enclosure structures, specified on the SEL sales order acknowledgment, including without limitation any accessories; and "Services" shall mean any SEL training, consulting, technical support and any other services specified on the SEL sales order acknowledgment, except for projects governed by an SEL Engineering Services Proposal. Training provided by SEL University is governed by the SEL University Terms and Conditions posted on SEL's website at www.selinc.com/termsandconditions/SELUniversity/. SEL may modify these terms at any time without prior notice provided that no such modification shall apply to any order for Products or Services which has been accepted by Seller prior to the modification(s). The latest version of the Terms will be posted on SEL's website at www.selinc.com/termsandconditions/unitedstates, and Buyer should review these Terms prior to purchasing any Products or Services. No contract will be deemed to be formed until the SEL sales order acknowledgment has been sent to Buyer, and all orders are subject to SEL's ability to obtain, on appropriate terms and within a reasonable amount of time, any export or import license or permit required by applicable law or regulation. SEL shall have the right to cancel any order at any time for failure of Buyer to agree to these Terms or for any material breach by Buyer of these Terms.
- 2. Prices, Taxes and Payment Terms.** Each quotation or proposal is valid for sixty (60) days, unless specified otherwise. For all other sales, the prices shall be the prices in effect on the date of the SEL sales order acknowledgment. Prices include ground freight prepaid to Buyer's place of business. For sales to Buyers outside the continental United States, prices are exclusive of any freight, packing or insurance charges and any customs, sales, use, value-added, property

or similar taxes, tariffs or duties unless specified otherwise by SEL. If Buyer claims a tax or other exemption or direct payment permit, Buyer will provide a valid exemption certificate or permit and indemnify, defend and hold SEL harmless from any taxes, costs and penalties arising from the same. For Services performed on a time and expense basis, charges shall include time and expenses incurred in the previous calendar month. For Services performed on a fixed-price basis, charges shall include the price of major deliverables substantially completed in the previous calendar month. Payment terms for all Products and Services are net thirty (30) days from date of invoice if credit is approved. All invoices shall be deemed accurate unless Buyer advises SEL in writing of an error within 10 days following receipt. If Buyer advises SEL of an error, (i) any amounts corrected by SEL shall be paid within 14 days of correction or within 30 days of the due date, whichever is later, and (ii) all other amounts shall be paid by Buyer by the due date. If Buyer requires SEL to use a specific system or tool to process regular business transactions (e.g. invoices, shipment notifications, purchase orders), SEL may charge Buyer for any transaction, setup or subscription fees charged to use the system or tool. Partial shipments will be invoiced and are payable as they occur in accordance with these Terms. All payments shall be made in United States Dollars, unless specified otherwise. Buyer must meet the then-current SEL credit requirements to purchase on credit. If, in the judgment of SEL, the financial condition of Buyer at any time prior to delivery does not justify the payment and/or credit terms offered by SEL, SEL may require payment in advance or suspend or cancel any outstanding order. SEL may suspend work or cancel any outstanding order if Buyer fails to make a payment when due and until such payment is made and may impose a late charge equal to the lesser of 1.5% per month or the highest applicable rate allowed by law on all amounts not paid when due. SEL shall not be liable for any liquidated or other damages if SEL suspends work due to the Buyer's late payment or credit issues. If an order is cancelled because of credit issues or late payments, SEL shall be entitled to receive a sum equal to 25% of the order price (the "Cancellation Charges"). Delays in delivery or non-conformities in any installments shall not relieve Buyer of its obligation to pay any remaining installments. Any payment made by Buyer may be applied to amounts due before being applied to current orders, at SEL's sole discretion. Notwithstanding the foregoing, Buyer's failure to pay amounts due shall be deemed a material breach of these Terms, and any acceptance by SEL of late payments shall not be deemed a waiver of such breach. To the extent allowed by law, SEL shall be entitled to recover all costs incurred in collecting amounts due from Buyer, including without limitation legal fees, disbursements and other costs.

3. Delivery, Documentation and Disclosure of Information. Delivery dates are approximate, based upon prompt receipt of all necessary information from Buyer and constitute neither a contractual obligation nor a representation to the Buyer. If drawing approval is required, drawings must be returned on schedule to maintain estimated shipping dates. SEL shall pack and ship Products according to its standard procedure, and all shipments shall be sent to Buyer using the SEL standard freight forwarder or carrier. Buyer shall pay for any increased costs due to special packing, shipment (including freight forwarders or carriers required by Buyer) or insurance requests, as well as any detention or demurrage charges. Seller reserves the right to make partial shipments of the Products and/or to ship Products early unless otherwise stipulated in Buyer's purchase order. Unless otherwise stated in the SEL sales order acknowledgment, the shipping terms are as stated herein. For Products shipped to addresses within the continental United States, title and risk of loss or damage shall pass to Buyer upon delivery to Buyer's place of business. For Products shipped to addresses outside the continental United States, title and risk of loss or damage shall pass to Buyer at the SEL factory upon delivery to the freight forwarder or carrier. Buyer must unpack and examine Products immediately and, if damage is discovered, notify SEL within three (3) business days of delivery. In any event, acceptance shall be deemed to have occurred no later than fifteen (15) days after shipment. Buyer may return standard products, with SEL's prior written approval, up to one year after the original invoice date (the "Purchase Date") if they are new in their original packaging, were stored properly, and have never been installed. A restocking fee of 25% of the product price if the product is returned less than 6 months after the Purchase Date, and 50% if returned between 6 months and 1 year after the Purchase Date, will apply to each returned product, including panels. Returns are not possible 1 year or more after the Purchase Date, or for customized products, or for any cable. When applicable, SEL shall provide Buyer with one (1) copy of instructions for each Product. Buyer may not reproduce such instructions. Buyer may order additional copies from SEL. All instructions and related documentation shall be in English. Although SEL or its representatives may from time to time provide translations of such instructions and documentation as a courtesy, the English version shall govern, and SEL shall not be liable for any discrepancies. The English versions are available at selinc.com. Any information, suggestions or ideas transmitted by Buyer to SEL in connection with performance hereunder shall not be regarded as proprietary or confidential, unless identified in writing by Buyer and acknowledged in writing by SEL.

4. Intellectual Property. Buyer shall not challenge the validity of any SEL intellectual property, including without limitation any trademarks, service marks, trade dress, patents, copyrights, trade secrets or licenses. Buyer acknowledges that SEL intellectual property is the sole property of SEL. By sale of Products or Services to Buyer, SEL does not transfer any SEL intellectual property rights (including without limitation rights to designs or other work product). Buyer shall not remove or alter any trademarks, service marks or trade dress that identify SEL, nor use any trademarks, service marks,

trade dress or any other intellectual property that, in the sole discretion of SEL, is confusingly similar to those of SEL. Any software (including firmware) included with Products is owned by SEL (or its licensors) and is licensed, not sold, to Buyer. Buyer may use such software only with Products and only as intended and permitted by SEL. All software shall be provided subject to the then-current SEL Software License Agreement.

5. Product Warranty and Services Commitment. SEL warrants to Buyer that Products are free from defects in material and workmanship for ten (10) years after shipment for all SEL Products, including SEL-manufactured control enclosure structures and panels. The sole and exclusive warranties for any software are set forth in the [SEL Software License Agreement](#). This warranty is conditioned upon proper storage and shall be void in its entirety if Buyer modifies Products without prior written consent to and subsequent approval of any such modifications by SEL or uses Products for any applications that require product listing or qualification not specifically included in the SEL written quotation or proposal. If any Product fails to conform to this warranty, Buyer properly notifies SEL of such failure and Buyer returns the Product to SEL factory (unless another location is agreed upon by SEL) for diagnosis (and pays all expenses for such return), SEL shall correct any such failure by, at its sole discretion, either repairing any defective or damaged Product part(s) or making available any necessary replacement part(s) or Product(s). SEL will pay the freight to return the Product to the Buyer (Carriage Paid To (CPT) customer's place of business). If SEL is unable or unwilling to repair or replace, SEL and Buyer shall negotiate an equitable resolution such as a prorated refund or credit to the Buyer's account. Any Product repair or upgrade shall be covered by this warranty for the longer of one (1) year from date of repair or the remainder of the original warranty period. TO THE MAXIMUM EXTENT PERMITTED BY LAW, THIS WARRANTY SHALL BE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, WHETHER STATUTORY, EXPRESS OR IMPLIED (INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE AND WARRANTIES ARISING FROM COURSE OF PERFORMANCE OR DEALING OR USAGE OF TRADE), EXCEPT WARRANTY OF TITLE AND AGAINST PATENT INFRINGEMENT. SEL shall, whenever possible, pass the original manufacturer warranty to Buyer for non-SEL products. SEL does not warrant non-SEL products, including non-SEL control enclosure structures, and non-SEL products within SEL panels, control enclosure structures and systems, and products or prototypes provided by SEL for testing, marketing, or loan purposes. SEL shall perform Services in a manner consistent with the degree of care and skill ordinarily exercised by members of the same profession currently practicing under similar circumstances. SEL shall reperform (or, at SEL's option, pay a third party to reperform) any defective Services (including Services performed in conjunction with SEL systems) at no cost upon receipt of notice detailing the defect(s) within one (1) year of performance of the original Services.

6. Limitation of Liability, Indemnity and Insurance. In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall SEL be liable to Buyer or Buyer's insurers for any loss or damage for an amount (i) exceeding the contract price or (ii) if Buyer places multiple order(s) under the contract, the price of each particular order for all claims arising from or related to that order, and any liability shall terminate upon the expiration of the warranty period. No claim, regardless of form, arising from these Terms may be brought by Buyer more than one (1) year from the date such claim accrues. In no event, whether as a result of breach of contract, indemnity, warranty, tort (including negligence), strict liability or otherwise, shall SEL be liable for any special, consequential, incidental, liquidated or punitive damages, including without limitation any loss of profit or revenues, loss of use of Products or associated equipment, damage to associated equipment, cost of capital, cost of substitute products, facilities, services or replacement power, downtime costs or claims of Buyer's customers for such damages. If SEL or its subcontractors or suppliers provide Buyer with advice or other assistance, including input of customer-provided or customer-requested settings and advice related thereto, concerning any Product or any system or equipment in which any such Product may be installed, the provision of such advice or assistance shall not subject SEL to any liability. SEL shall not be liable for any claims or losses resulting from any unauthorized access to Products. Buyer confirms that it has read the manuals and instructions for use of Products (or that it will do so) and shall not install or operate Products unless Buyer is competent to do so. Buyer shall indemnify, defend and hold harmless SEL and all related parties from and against any claims, demands, causes of action, losses, costs and expenses, including without limitation legal fees and other costs, arising directly or indirectly from the acts or omissions of Buyer, its officers, employees, agents or representatives, including without limitation (i) Buyer's modification or integration of any Product, (ii) Buyer's specifications, (iii) Buyer's relay settings, which may or may not be based on relay setting examples or guides from SEL, (iv) any changes made by Buyer or others related to design documents produced by SEL, (v) any unauthorized use or reuse of the designs, drawings, plans and specifications furnished by SEL, (vi) Buyer's failure to fully utilize the password protection available in any Product (including without limitation Buyer's failure to use passwords or to change default passwords to unique Buyer

passwords) or (vii) any breach of these Terms by Buyer. Buyer shall obtain advance consent from SEL prior to using any Products in connection with any nuclear facility or activity located outside of the United States. Buyer shall maintain commercially reasonable insurance (including waiver of subrogation) against liability and property damage, including without limitation all standard commercial, environmental and, for any Products used in connection with any nuclear facility or activity, nuclear incident insurance. SEL shall maintain for its protection the following insurance coverage: (i) Worker's Compensation, Employer's Liability and other statutory insurance required by law with respect to work related injuries or disease of employees of SEL in such form(s) and amount(s) as required by applicable laws; (ii) Automobile Liability insurance with a combined single limit of \$2,000,000 per occurrence, \$4,000,000 annual aggregate; and (iii) Commercial General Liability or Public Liability insurance for bodily injury and property damage with a combined single limit of \$2,000,000 per occurrence, \$4,000,000 annual aggregate. Upon request, SEL will provide a certificate of insurance reflecting such coverage.

7. Patent Indemnity. SEL shall defend any action brought against Buyer based on a claim that any Product as provided by SEL infringes any United States patent, and SEL shall pay any award or settlement recovered against Buyer in any such action and shall reimburse Buyer for reasonable costs incurred by Buyer in the defense of any such action, provided that Buyer gives SEL prompt notice of such action, reasonable assistance in the defense thereof and full opportunity to control all aspects thereof, including settlement, and does not take any position adverse to SEL in connection with such action. In the event such Product is held to constitute infringement and use of the Product is enjoined (or SEL foresees a substantial risk of such event), SEL shall, at its sole discretion, exchange the Product with a non-infringing Product, acquire the right for Buyer to continue using it, modify it so that it becomes non-infringing or repurchase it from Buyer for a fair portion of the original price. SEL shall not be liable for damages that arise after SEL offers one of the foregoing remedies in good faith. SEL shall not be liable for any patent infringement claim arising from any custom Product, modification of any Product, integration of any Product not as intended by SEL, or integration of any Product with any non-SEL product, and Buyer shall fully indemnify, defend and hold harmless SEL and all related parties from and against any such patent infringement claim.

8. Transfer to End-User Other Than Buyer. Prior to resale of any Product, Buyer shall obtain written authorization from SEL for any such resale. To obtain such authorization, Buyer shall provide SEL, initially and on an ongoing basis, with complete and accurate end-user data for each Product. Buyer shall provide the end-user of each Product with all product notices, warnings, instructions, recommendations, bulletins and similar materials provided directly or indirectly by SEL. In the event Buyer transfers to a third party any Product or any right or interest therein, Buyer shall indemnify, defend and hold harmless SEL and all related parties from and against any claims against SEL in excess of any SEL obligations under these Terms by such transferee or any other party. Any assignment or transfer of any Product without prior written authorization from SEL shall void the SEL warranty. Buyer acknowledges that all commodities, software or technology (collectively "Items") provided by SEL are subject to US export jurisdiction and agrees to comply with all applicable import and export laws, rules and regulations regarding the transfer of any such Items, including but not limited to, the US Export Administration Regulations 15 C.F.R. Parts 730-774. Buyer shall obtain prior authorization from the U.S. Department of Commerce or any other applicable government entities prior to the export, re-export, transfer, diversion or disclosure any Items provided hereunder, or any direct product thereof, to any destination, end-use or end-user which is restricted or prohibited by US or other applicable laws. Buyer also agrees to comply with US anti-boycott laws and regulations when exporting Items. Buyer warrants that the shipping information is true and accurate to the best of their knowledge. The attempted assignment or transfer by Buyer of these Terms or any rights or duties hereunder without prior written consent of SEL shall not relieve Buyer of any obligations to SEL.

9. Contract Variations. If Buyer requires approval of drawings, such approval must be received by SEL no later than ten (10) working days after submittal of drawings by SEL to Buyer. Buyer's failure to comply with this requirement may result in additional costs and delays, which shall be Buyer's sole responsibility. Where Buyer's specifications lack sufficient detail, SEL reserves the right to design Products in accordance with good commercial practice, as determined at the sole discretion of SEL. Changes in scope or modification of Services will result in the contract amount and schedule being equitably adjusted. SEL is not obligated to proceed with any change until both parties agree upon such change in writing. SEL shall be entitled to an equitable adjustment in the price and schedule in the event of any changes in the law or engineering standards impacting SEL's obligations or performance under this Agreement. Any order may be terminated by Buyer upon written notice and payment of Cancellation Charges. Any order delayed at Buyer's request shall be subject to the prices and Terms in effect at the time of release of such delay. Any such order delayed beyond a reasonable period (as determined in SEL's sole discretion) shall be treated as a Buyer's termination, and will be subject to Cancellation Charges equal to 25% of the order price (including for SEL systems and control enclosure structure). When Products are

ready for shipment and shipment cannot be made due to Buyer's request, SEL shall submit an invoice for such Products payable upon receipt thereof and shall store such Products on Buyer's behalf. In such event, title and risk of loss shall pass to Buyer upon moving such Products to storage, and all expenses incurred by SEL in connection with such storage, including without limitation demurrage, cost of preparation for storage, storage charges, insurance (if SEL chooses, at its sole discretion, to purchase such insurance) and handling charges, shall be payable by Buyer upon submission of invoices by SEL.

10. Governing Law and Dispute Resolution. The laws of the State of Washington, USA, excluding conflict of laws principles, shall govern these Terms. The parties reject any applicability of the United Nations Convention on Contracts for the International Sale of Goods. Any controversy or claim arising out of or relating to these Terms, or the breach thereof, shall be settled by binding arbitration administered by the American Arbitration Association in accordance with its Commercial Arbitration Rules, and judgment on the arbitration award may be entered in any court of competent jurisdiction. Arbitration shall be held in Seattle, Washington, or another location agreed upon by the parties, and shall be conducted in English. The prevailing party to any dispute shall be entitled to recover legal fees and other costs (including without limitation arbitration fees, disbursements, and collection costs).

11. Miscellaneous. These Terms, including the [SEL Software License Agreement](#), SEL sales order acknowledgement, and [SEL University Terms and Conditions](#) constitute the entire agreement between SEL and Buyer, and supersede any prior or contemporaneous verbal or written agreements, negotiations, commitments, representations or correspondence between the parties, including without limitation any terms on any purchase order form. SEL rejects any representation, express or implied warranty, course of performance or dealing, trade usage or any different or additional terms not set forth herein. SEL reserves the right to modify or revoke any quote or order to comply with applicable laws and market conditions. Any notice pursuant to these Terms shall be deemed given when sent by registered mail, certified mail (return receipt requested), or overnight delivery to an authorized officer at the address listed on the SEL sales order acknowledgement or, if no such address is provided, at the registered headquarters of the other party, or when faxed to 1-509-336-7920 or emailed to legal@selinc.com (receipt confirmed). All rights and duties hereunder shall be for the sole and exclusive benefit of Buyer and SEL, and not for the benefit of any other party. SEL may perform its obligations hereunder personally, or through one or more of its affiliates, although SEL shall nonetheless be solely responsible for the performance. SEL may assign or novate its rights and obligations under the Contract, in whole or in part, to any of its affiliates or may assign accounts receivable to any party without Buyer's consent. Buyer agrees to execute any documents necessary to complete Seller's assignment or novation. SEL may subcontract portions of the work so long as SEL remains responsible for the work. Buyer shall notify SEL immediately upon any change in ownership of more than fifty percent (50%) of Buyer's voting rights or of any controlling interest in Buyer. No failure or delay by either party in exercising any right or remedy or insisting upon strict compliance by the other party with any obligation in these Terms, shall constitute a waiver of any right thereafter to demand exact compliance with these Terms. The invalidity, in whole or part, of any provision in these Terms shall not affect the remainder of such provision or any other provision and, where possible, shall be replaced by a valid provision that effects as close as possible the intent of the invalid provision. Neither party shall be liable for failure to perform or delay in performance of any obligation under these Terms (except payment of amounts already due and owing) where such failure or delay results from any event beyond its reasonable control.

Miscellaneous Items:

- Qty (1) 60" x 30" x 30" folding table
- Qty (2) Storage Shelves
- Qty (1) 72" x 18" x 36", Two Door, Metal Cabinet (Grainger or equal)
- Qty (1) Fendall Pure Flow 1000 Eye Wash Station

Fire Detection and Prevention:

- Qty (2) CO2 Fire Extinguishers shall be provided (Ansell or equal)
- Qty (3) Smoke detectors shall be provided.

Stair Systems & Handrails

IBC Factory and Storage Stair System: 2 Each

Application – The stairs listed below meet the standards for FACTORY and STORAGE USE GROUPS with occupancies of 50 or fewer people.

Treads shall be 42" wide with closed risers. Tread rise shall be a maximum of 7" and tread run shall be a minimum of 11". Tread and closed riser material are to be steel diamond plate. Stair railing shall be constructed of 1 1/2" vertical posts and 1 1/2" horizontal tubes. Stair railings shall be 36" tall and shall be spaced to allow a sphere no larger than 21" diameter to pass through any opening.

Landings shall be sized appropriately to meet code requirements. The landing floor is to be constructed of steel diamond plate. The landing railing shall be constructed of 1 1/2" vertical posts and 1 1/2" horizontal tubes. Landing railings shall be 42" tall and shall be spaced to allow a sphere no larger than 21" diameter to pass through any opening. All landing railing shall include a 4" tall toe plate.

Fasteners:

All wedge anchors, bolts, nuts, washers, and screws shall be supplied with the system. No additional fasteners will be needed to complete the structure.

Finish:

All structural beams, columns, landings, and gates are powder coated in our standard colors. Bar joists are primed gray and are not powder coated. Special colors and powder coating on the bar joists can be quoted upon request. All handrails shall be painted safety yellow.

Offload and Anchor Not Included: See Option

Installation to include only materials provided by Panel Built. The installation option assumes reasonable access to the work area and typical working hours (8-5 M-F). Work area and lay down areas shall be broom cleaned daily so as not to interfere with ongoing work in and around the warehouse facility. The onsite work area is to be free & clear of any existing obstructions so that the crew can work quickly & efficiently. Panel Built will utilize either in-house installation crews or one of our regionally approved subcontractors to perform installations, as distance, timing, and other circumstances dictate. Forklift and/ or Heavy Equipment (if needed for the installation) and unloading of material not included. **EQUIPMENT MUST BE PROVIDED BY THE CUSTOMER (PLEASE ASK PANEL BUILT WHAT EQUIPMENT WILL BE NECESSARY). DUMPSTER RENTAL / DISPOSAL MUST BE PROVIDED BY THE CUSTOMER.**

***This is a Pre-Assembled Exterior Building:** IT IS NOTED IN OUR BUILDING WARRANTY THAT a building supplied with a steel base frame must be installed and sealed on a level pad of minimum 6" beyond anchor bolt centerline in both directions unless otherwise noted on project drawings. Building shall be anchored using (4) four anchors 1/2' x 4" minimum length Hilti or equal expansion anchors. A concrete pad extending past the base frame shall be sloped away from the building.

Shipping and Handling Not Included: See Option

All the above, including all connectors, installation/shop drawings, shall be shipped. The shipping method shall be determined by Panel Built and is dependent on the type, size, and weight of the material.

High, Wide, and Heavy Loads

The maximum legal load width is 8.5 feet (102 inches), and the maximum height limit is also 102 inches. Legal length is typically 48 to 53 feet, and the maximum weight is about 46,000 pounds.

Anything over 8.5 feet wide is considered an oversized load; shipments exceeding 12 feet wide may require one to two pilot vehicles in the front and/or back of the flatbed truck. In many states, shipments over 12 feet wide require travel escorts (or "pilot vehicles").

Factors that will impact your schedule.

In most states, oversized loads with travel escorts may only be on the road from 30 minutes before sunrise to 30 minutes after sunset, Monday through Friday. Many states restrict or prohibit driving over holidays or weekends.

Before a load hits the road, drivers need permits for each state traveled with exact travel routes specified. All of these factors—especially the drive time restrictions—present unique challenges.

Shipping oversize loads can be challenging since there are many laws and restrictions surrounding the shipment of wide loads. Our shipping department will assist in coordinating the final delivery details.

Terms & Conditions

In reading our proposal you will find that Panel-Built provides a comprehensive package for your convenience and a successful project. A few tasks that Panel-Built will perform for you are as follows:

- *Panel-Built's exclusive "RED LINE" policy. A full set of approval drawings are mailed to you for YOUR approval. We do not produce until you are happy with the layout, and any details. We also send out colors, schedules, and site questions.*
- *A full set of installation drawings for your files in case you later decide to take advantage of the unlimited flexibility of our modular wall systems.*
- *Our crews are fully insured and if needed Panel-Built can arrange for any bonding that the job may require.*
- *Panel-Built offers a full one-year warranty on the product and the workmanship, as well as extended warranties upon request.*

Material Escalation: The Proposal Price has been calculated based on the current prices for the component materials. However, the markets for raw materials are currently considered to be volatile, and sudden price increases could occur. Panel Built, Inc. agrees to use our best efforts to obtain the lowest possible prices from available material suppliers but should there be an increase in the prices of component materials greater than 10% that are purchased 90 days after acceptance of this proposal, Panel Built will alert our customer to this and provide an updated price.

Panel Built, INC. Standard Payment Terms:

All sales are subject to final approval by the finance department and may require alternate payment methods or terms. Each Order shall be considered a separate and independent transaction. Should Buyer default on the payment of Order and Panel Built Inc. should employ an attorney to enforce any provision hereof or to collect damages for breach of Terms, Buyer agrees to pay Panel Built, Inc. its reasonable attorney fees and all other costs incurred by Panel Built, Inc. in connection with such suit and legal rate of interest and penalties as set forth below.

Please click the link below and complete a credit packet to set up your account for expedited processing.

It is available at <https://www.panelbuilt.com/general/credit-request>

Standard Terms are as follows based on customer credit worthiness:

1. All pre-assembled structures require a 50% deposit and balance net 30 days after shipment.
2. Panel Built does not accept retainage on projects.
3. If payment terms are not met, the purchaser agrees to pay interest at the rate of 1% per month on the unpaid balance, and any legal or collection fees incurred by the seller.

Cancellation Charges: Please note that if the project is canceled then all costs including but not limited to engineering, administrative purchased materials, and labor incurred will be charged. Please contact your salesperson with any questions.

This proposal is good for 30 days. For pricing beyond this period, we ask that you call our office.

Please note that unless specifically addressed the price quoted does not include:

- *Unloading and staging of materials at work site (if optional install is not taken)*
- *Equipment Rental (as needed for installation) (if optional install is not taken)*
- *Dumpster Rental / Disposal (if necessary)*
- *Permits, licenses, or fees as required by governing agencies*
- *Relocation or modification of existing buildings or structures*

- *Running condensate lines and/or drains further than the edge of our structures*
- *Final connection to any utilities*
- *Site work, foundation work, and/or footers*
- *Compliance with appropriate building codes is the responsibility of the purchaser of the building*

Field installation for the modular building in this proposal is based upon the following assumptions:

- *This is a non-union installation and permits or licenses if required are the customer's responsibility.*
- *Price does not include prevailing wage rates unless specifically noted.*
- *Coordination with inspectors for inspections and sign-off is the customer's responsibility.*
- *The available working hours are to be flexible, typically 7 AM to 6 PM and they are not restricted.*
- *A typical workday is ten hours but may be extended at the option of our installation manager.*
- *There will be no work stoppage or delays of the installation crew (e.g. waiting for other contractors to perform work, city inspections, etc.).*
- *Weekend or holiday work time is available but is not part of the base price. However, these hours can be worked at the discretion of the installation manager.*
- *There are no restrictions on metal cutting, drilling, etc. in the area where the building is assembled.*
- *Installation is only for products supplied by Panel-Built and specified in the written quotation.*
- *Electrical wiring, hookups to/into the service, or breaker panel is not included.*
- *Floor area where the building will be installed is a flat, level concrete floor.*
- *There is no finished floor installation unless specifically mentioned.*
- *Area is clear and free of any obstructions such as columns, equipment, inventory, etc.*
- *There are no field modifications or special cuts necessary other than quoted.*
- *Some minor field modifications to the material may be required on-site.*
- *Unless specifically mentioned, equipment rental (i.e. forklift, scissor lift, etc. if necessary) is not included. Installation is based upon the use of customer-supplied equipment. (if optional install is not taken)*
- *Unless specifically mentioned, dumpster rental/disposal is not included. The customer is to provide any necessary dumpster and disposal.*
- *Unloading the product (forklift or crane) and staging at the installation site is by the customer (if optional install is not taken)*
- *Written notification on all special instructions and prohibited procedures, materials, etc. shall be provided by the customer before the crew arrives.*
- *Damage caused by the customer will be charged a price equal to the quote plus additional shipping and handling or man-hours involved to correct.*
- *Change orders shall be in writing and may affect completion dates.*
- *Unless specifically stated, the quotation does not include customer-required safety training classes or escorts around the work area.*

Third-Party Inspections and State Approval Exclusions

As mentioned in our proposal, **third-party inspections** and **state approval** are **excluded** from the quoted structure unless specifically requested. This means that while our buildings are constructed to meet **industrialized building industry standards**, they may not automatically conform to specific **state building and energy codes** unless additional steps are taken.

Each state has its own requirements regarding code compliance and inspections. In certain states, buildings that are not certified under a third-party inspection program may still be inspected by the **state authority having jurisdiction (AHJ)**. However, the responsibility to ensure compliance with these regulations lies with the **purchaser**.

Additional Services Available:

1. **PE-Stamped Drawings:** These are often required by the AHJ to confirm compliance. We can provide these as an **added service**, which will incur additional costs and lead time. Our standard fee covers a **PDF copy** of the drawings, with **additional charges** for hard copies and calculations if needed.
2. **Third-Party State Label (DAPIA):** As an optional service, we can facilitate a **third-party state label** through a **Design Approval Primary Inspection Agency (DAPIA)**. This ensures that the building meets **state and energy codes** by making the necessary modifications and obtaining the appropriate certifications. Like the PE-stamped drawings, this service comes with a cost and lead time impact.

These updates will ensure that your structure is fully compliant without future complications.

If you have any further questions about these exclusions or the added services, please feel free to reach out, and we can discuss the options that best suit your project.

As much as we are the building experts when we quote and build to specific codes and loads based on the data we have. However, during the PE and/or 3rd Party review process, it may be determined that certain design changes need to be made to reach certain wind, snow, and seismic loads or to meet a specific building or energy code. These changes may have cost impacts on the prices of component materials that are purchased after acceptance of this proposal, the Customer agrees to pay that cost increase.



I accept the terms and conditions of this quotation:

Signed _____

Name _____ Title _____

Company _____

Bill to Address _____

Ship to Address _____

Purchase Order No. _____

PLEASE CIRCLE THE OPTIONS ON PAGE ONE THAT YOU WISH TO TAKE FOR THIS PROJECT.

YOUR ACCEPTANCE OF ANY PRODUCTS SUPPLIED BY PANEL BUILT, INC. OR ON PANEL BUILT, INC.'S BEHALF, SHALL, WITHOUT LIMITATION, CONSTITUTE ACCEPTANCE OF ALL TERMS AND CONDITIONS STATED ABOVE.

February 4, 2025
24-1612.01

Chris McArthur
Electric Superintendent
City of Sturgis
130 North Nottawa Street
Sturgis, MI. 49091

**RE: State Line Substation
15kV Breaker Replacement
Bid Evaluation & Recommendation**

Dear Chris:

GRP Engineering has completed reviewing the bids submitted on February 3, 2025, for the State Line Substation 15kV Breakers. Of the three suppliers solicited for bids, two (2) bid were received. Verhill Associates, representing ABB, submitted the low bid for the project in the amount of \$92,703.78. Verhill Associates has submitted a complete and conforming bid. A list of the bids received is shown below.

<u>Contractor</u>	<u>Bid Price</u>	
CSI Utility Sales	\$107,412.00	
Verhill Associates	\$92,703.78	<i>Low Bid</i>
ELUS	NO BID	

GRP Engineering sees no reason not to accept the Verhill Associates bid. Please contact me should you have any questions regarding this evaluation.

Sincerely,
GRP Engineering



Nicholas Winsemius
Project Engineer



Proposal

Date: January 28, 2025

To City of Sturgis
130 N Nottawa St. / Sturgis, MI 49091

From: Terrell Ebright-ABB Power I&C Territory Manager and Representative
Mb (317) 432-8472
Email: Terrell.Ebright@verhill.com

Subject: ABB RMags (2) 15kv-1250A and (1) 15kv-2000A

Bid Date: February 3, 2025 /4PM

ABB Reference No: #000-00004588 By Terry McCauley

Commercial Notes:

- 1) Prices are FOB: Destination / freight included
- 2) Lead Time: 25-27 weeks ARO
- 3) Approval Drawings 3-4 weeks ARO
- 4) Terms: Net 30days, based on prior credit approval
- 5) ABB Terms and Conditions of Sale Apply
- 6) ABB Standard Warranty: 60 months from date of commissioning or 60 months from date of delivery, whichever occurs first
- 7) No Federal, State, or Local Taxes included.
- 8) Prices are firm for 30days from date of proposal.
- 9) Unloading & Installation by Others
- 10) Address all orders to ABB Inc. and forward to: Sales@verhill.com.

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Commercial and Technical Tender

ABB Negotiation Number: 000-00004588

Equipment: R-MAG® Outdoor Dead Tank Breaker

01/27/2025

This proposal offers the market leading circuit breaker, the ABB R-MAG. ABB's R-MAG has over 20 years of field proven experience and over 30,000 installations. ABB is the only company to offer a full medium voltage portfolio with magnetic actuation, from 15kV to 38kV. The R-MAG is designed to provide the most reliable outdoor breaker in the market, minimizing downtime, improving SAIDI measurements, and significantly decreasing maintenance costs over the lifetime of the product. ABB's R-MAG delivers quantifiable value in the following areas:

Increased reliability

- Optimized durability with the ability to achieve 10,000 operations, five times greater than the ANSI requirement, over a temperature range of -50°C to +70°C (-58°F to 158°F)
- Minimized potential points for failure by having only one moving part in the magnetic actuator operating system, as opposed to spring-charged mechanisms that house over 100 moving parts
- Unparalleled performance of internal components
 - ABB magnetic actuator is rated for 100,000 operations for the 15 and 27kV R-MAGs and 50,000 operations for the 38kV R-MAG
 - ABB's world leading vacuum interrupters are rated for 30,000 full load operations

Reduced O&M

- NO MAINTENANCE is required on the magnetic actuator, as opposed to spring-charged mechanisms that are dependent on periodic maintenance to ensure proper operation
- Minimal maintenance is required every 2,000 operations, four times the ANSI standard of 500 operations between servicing
- Shorter maintenance times as there are no coils or motors to replace and there is no gas or oil used
- Easy plug and play design of the ED2 electronic control board for rapid replacement in the field

Warranty

ABB's R-MAG has over 20 years of proven experience with over 30,000 installations. The R-MAG comes with a 5-year comprehensive warranty and 24 hour / 7 day a week customer service.

NextGeneration R-MAG cabinet

New NEMA3R

The new NextGeneration R-MAG cabinet NEMA3R is designed to exceed the traditional NEMA3R rating. This new NEMA3R introduces numerous improvements focused to provide a higher ingress protection against water and dust.

New NEMA4 cabinet

This new cabinet version introduces a set of dedicated special improvements, as compared to NEMA3R, in some key elements of the housing to withstand the most challenging outdoor environments. The new NEMA 4 housing is ready to withstand sleet, snow, heavy rain, storms and wind-driven rain impacting the housing at rates of more than 60 gal./min. from any direction.

New Arc Resistant cabinet

The arc-resistant version of the R-MAG® breaker has been tested to internal arc resistance as per IEEE C37.20.7-2017, Type 2B accessibility. The arc-resistant feature provides an additional level of protection to equipment and personnel in the proximity of the arc-resistant R-MAG breaker. The specially designed enclosure withstands the mechanical and thermal stress of an arc fault and releases the gases through the specially designed chimneys.



ABB is ready to support this proposal with technical application experts, spare parts, training, and support services to ensure the ease of installation and the reduction of the total cost of ownership. Thank you in advance for considering this proposal. Please do not hesitate to contact ABB with any questions.



Commercial and Technical Tender

ABB Inc.
655 Century Point
Lake Mary, FL 32746
Tel: 407-732-2000

Date:	01/27/2025
Tender ID:	000-00004588
Account manager:	
Valid through:	03/13/2025
Specifications:	
Revision:	A

Prepared for:
CITY OF STURGIS

Prepared by:
Terry McCauley
ABB Inc.

Email:
terry.mccauley@us.abb.com

Purchase Order Requirements

All purchase orders must include the following items:

- Sold To (Buyer) address
- Issued to: ABB Inc.
- Reference to the ABB Quote No. and Quote Version
- Price matching the referenced ABB Quote
- Any terms & conditions that differ from a valid Master Agreement or ABB Standard

*Failure to include these items or including items in conflict with this proposal will result in a rejected order and delayed order entry.

Bill of Material(s) - All Items with Price

Item #	Qty	Description	Unit Price (USD)	Extended Price (USD)
1	2	Circuit Breaker, Medium Voltage, ANSI Outdoor Vacuum, R-MAG, MB11140LLNH5KBL4 Types Rating: MB1114 - 15.5 kV 1250 A 110 kV BIL 25 kA Operating duty: O-0.3s-CO-3min-CO Voltage: 15.5 kV BIL: 110 kV BIL Interrupting Current: 25 kA	28,699.32	57,398.64
2	1	Circuit Breaker, Medium Voltage, ANSI Outdoor Vacuum, R-MAG, MB11240LLNH5KBL4 Types Rating: MB1124 - 15.5 kV 2000 A 110 kV BIL 25 kA Operating duty: O-0.3s-CO-3min-CO Voltage: 15.5 kV BIL: 110 kV BIL Interrupting Current: 25 kA	35,305.78	35,305.78
3	1	Circuit Breaker, Medium Voltage, ANSI Outdoor Vacuum, Spare Part, 1B09551G02 Spare Parts 1 ED2.0 Control Assembly, 15kV R-MAG - HV (77-180VDC) (Control board, 2 electrolytic capacitors, pushbutton switch and connectors)	1,154.49	1,154.49
Total Net Price (USD):				93,858.91

Technical Data Sheet



Item Number : 1

Quote No: 000-00004588

ABB Product ID : MB11140LLNH5KBL4

Modified User: McCauley, Terry

Type	R-MAG - Outdoor Dead Tank Vacuum Magnetic Circuit Breaker
Types Rating	MB1114 - 15.5 kV 1250 A 110 kV BIL 25 kA Operating duty: O-0.3s-CO-3min-CO
Voltage	15.5 kV
BIL	110 kV BIL
Interrupting Current	25 kA
Power Frequency	60 Hz
Auxiliary Switches	0 - (1) 20 deck snap action rotory switch. Normally this should provide 6 'a' and 6 'b' field adjustable contacts.
CTs 1-3-5	L - 1 Set 1200/5 C400 TR 2.00 (4.12') 1 set of 1200/5 C400 Bushing Current Transformers on bushings 1-3-5. Thermal Rating Factor @ 30°C: 2.00. Full Winding Metering Class: 0.3B1.8.
CTs 2-4-6	L - 1 Set 1200/5 C400 TR 2.00 (4.12') 1 set of 1200/5 C400 Bushing Current Transformers on bushings 2-4-6. Thermal Rating Factor @ 30°C: 2.00. Full Winding Metering Class: 0.3B1.8.
Enclosure Material	N - NextGeneration R-MAG Cabinet (15kV, 1200A). Review details of NextGeneration cabinet in this quote's introduction section
High Voltage Door	HV Cover Small Cabinet
High Voltage Door	HV Door Mid size Cabinet

BCT Shorting Type	Standard shorting type terminal blocks Due to global Supply Chain crisis, the terminal blocks used in final production may vary as per availability of Marathon, Magnum or GE terminal blocks. Technical parameters of alternate terminal blocks match/exceed the parameters of the originally assigned terminal blocks.
BCT Wiring	#12 AWG wire. All taps wired to terminal blocks.
ED2.0 board	H - 85-264 VAC or 77-280 VDC High Voltage Board (15.5 kV)
Control Voltage	5 - 125 VDC Operating Voltage
Circuit Protection	K - Fused knife switches provided for control circuits
Bushing Type	Standard Bushing (15.5 kV, 1200 A, 110 kVBIL) Six ANSI-70 gray Porcelain Bushings. Standard creepage: 17.50in. (445 mm) - 12 THDS copper stud bushing.
Bushing Terminal Connectors	4 - Stud to 4-hole NEMA pad connectors
Control Type	B - Basic Unit
Panel Configuration	L - Panel w/ std control switch, local/remote, & ind lights only
Control Wiring	#14 AWG; Control Wire as required
Control Wiring Lugs	Insulated wiring lugs provided
Control Terminal Blocks	G.E. type EB25 - 12 point terminal blocks as required Due to global Supply Chain crisis, the terminal blocks used in final production may vary as per availability of Marathon, Magnum or GE terminal blocks. Technical parameters of alternate terminal blocks match/exceed the parameters of the originally assigned terminal blocks.
Heaters	(2) 120 VAC, 375 Watt heaters provided; one for the low voltage compartment and one for the high voltage compartment.

Local/Remote Switch	(1) Standard local/remote switch provided
Test Switches	No test switches provided
Digital Meters	No digital meters provided
Thermostats	(1) Standard thermostat included. Operating Range: 70°F to 80°F
Wire Markers	Brady wire marker sleeves as required
Control Switch	Standard control switch w/ indicating lights
Legacy Material	No
Special Final Assembly	Special Final Assembly None
Seismic Option and Wind Load	No Seismic qualification is being provided
Shipping Special	Special Shipping Requirements No
Dynamic Accessories	120 VAC relay cabinet light mounted inside relay control cabinet
Dynamic Accessories	ED2.0 Capacitor discharge switch
Dynamic Accessories	Device Nameplates

Dynamic Accessories	External bushing identification stickers on roof
Dynamic Accessories	120 VAC, 1 phase GFI utility outlet mounted inside the relay control cabinet
WILD_CARD	Loss of AC Relay (120 VAC)
WILD_CARD	Loss of DC Relay (125 VDC)
Termination Count	Termination Count 1-350
CT Count	CT Count - 6 CT's
Capacitors Count	2 capacitors

ABB Internal Order Entry Information:

CID Code: 9AAC30400486
Source Location Code: 9AAE324912
Manufacturing: 3407, Mexico - San Luis Potosi

Technical Data Sheet



Item Number : 2

Quote No: 000-00004588

ABB Product ID : MB11240LLNH5KBL4

Modified User: McCauley, Terry

Type	R-MAG - Outdoor Dead Tank Vacuum Magnetic Circuit Breaker
Types Rating	MB1124 - 15.5 kV 2000 A 110 kV BIL 25 kA Operating duty: O-0.3s-CO-3min-CO
Voltage	15.5 kV
BIL	110 kV BIL
Interrupting Current	25 kA
Power Frequency	60 Hz
Auxiliary Switches	0 - (1) 20 deck snap action rotary switch. Normally this should provide 6 'a' and 6 'b' field adjustable contacts.
CTs 1-3-5	L - 1 Set 1200/5 C400 TR 2.00 (4.12') 1 set of 1200/5 C400 Bushing Current Transformers on bushings 1-3-5. Thermal Rating Factor @ 30°C: 2.00. Full Winding Metering Class: 0.3B1.8.
CTs 2-4-6	L - 1 Set 1200/5 C400 TR 2.00 (4.12') 1 set of 1200/5 C400 Bushing Current Transformers on bushings 2-4-6. Thermal Rating Factor @ 30°C: 2.00. Full Winding Metering Class: 0.3B1.8.
Enclosure Material	N - NextGeneration R-MAG Cabinet (15kV, 2000A). Review details of NextGeneration cabinet in this quote's introduction section
High Voltage Door	HV Cover Mid size Cabinet
BCT Shorting Type	Standard shorting type terminal blocks Due to global Supply Chain crisis, the terminal blocks used in final production may vary as per availability of Marathon, Magnum or GE terminal blocks. Technical parameters of alternate terminal blocks match/exceed the parameters of the originally assigned terminal blocks.

BCT Wiring	#12 AWG wire. All taps wired to terminal blocks.
ED2.0 board	H - 85-264 VAC or 77-280 VDC High Voltage Board (15.5 kV)
Control Voltage	5 - 125 VDC Operating Voltage
Circuit Protection	K - Fused knife switches provided for control circuits
Bushing Type	Standard Bushing (15.5 kV, 2000 A, 110 kVBIL) Six ANSI-70 gray Porcelain Bushings. Standard creepage: 27.50in. (699 mm) - 12 THDS copper stud bushing.
Bushing Terminal Connectors	4 - Stud to 4-hole NEMA pad connectors
Control Type	B - Basic Unit
Panel Configuration	L - Panel w/ std control switch, local/remote, & ind lights only
Control Wiring	#14 AWG; Control Wire as required
Control Wiring Lugs	Insulated wiring lugs provided
Control Terminal Blocks	G.E. type EB25 - 12 point terminal blocks as required. Due to global Supply Chain crisis, the terminal blocks used in final production may vary as per availability of Marathon, Magnum or GE terminal blocks. Technical parameters of alternate terminal blocks match/exceed the parameters of the originally assigned terminal blocks.
Heaters	(2) 120 VAC, 375 Watt heaters provided; one for the low voltage compartment and one for the high voltage compartment.
Local/Remote Switch	(1) Standard local/remote switch provided

Test Switches	No test switches provided
Digital Meters	No digital meters provided
Thermostats	(1) Standard thermostat included. Operating Range: 70°F to 80°F
Wire Markers	Brady wire marker sleeves as required
Control Switch	Standard control switch w/ indicating lights
Legacy Material	No
Special Final Assembly	Special Final Assembly None
Seismic Option and Wind Load	No Seismic qualificatoin is being provided
Shipping Special	Special Shipping Requirements No
Dynamic Accessories	120 VAC relay cabinet light mounted inside relay control cabinet
Dynamic Accessories	ED2.0 Capacitor discharge switch
Dynamic Accessories	Device Nameplates
Dynamic Accessories	External bushing identification stickers on roof

Dynamic Accessories	120 VAC, 1 phase GFI utility outlet mounted inside the relay control cabinet
WILD_CARD	Loss of AC Relay (120 VAC)
WILD_CARD	Loss of DC Relay (125 VDC)
Termination Count	Termination Count 1-350
CT Count	CT Count - 6 CT's
Capacitors Count	2 capacitors

ABB Internal Order Entry Information:

CID Code: 9AAC30400486
Source Location Code: 9AAE324912
Manufacturing: 3407, Mexico - San Luis Potosi

Clarifications & Deviations

ABB provides quotation based on the specifications provided by CITY OF STURGIS.

All quoted or agreed prices are subject to revision at any time in the event of: (i) a material increase in component, raw material, or energy costs; or (ii) governmental action such as new or increased tariffs.

**RMAG is designed, manufactured and tested in accordance with ANSI IEEE C37.04, ANSI IEEE C37.06 & ANSI IEEE C37.09.

**All requirements related to operation mechanism based in spring & motor are not applicable for the ABB R-MAG Dead Tank Circuit Breaker, since its operating mechanism is based in magnetic actuator and capacitors.

**RMAG's Operating duty: O-0.3s-CO-3min-CO

**Incoterm 2020 CPT "Carriage Paid To" used by ABB Inc

Revision History

Rev #	Date	Description of Change	Handled By

Shipment Schedule

Contract drawings, information submittals, manufacturing, and shipment schedules will follow the outline below and is contingent on customer approval in the time frame indicated:

- I. Orders with Drawing Approval
 - Approval Drawings – 3 weeks after receipt of ABB approved order
 - Customer drawing approval time – 2 weeks to keep order timeline on schedule
 - Product ready for shipment – 20 weeks after return of all approval drawings with customer release for manufacture
 - Delivery – 1-2 weeks
 - Total lead time: 27 weeks
- II. Orders with existing bill of material, no bill of material changes and no approval drawings (duplicate orders)
 - Manufacturing time – 20 weeks after receipt of ABB approved order
 - Delivery – 1-2 weeks
 - Total lead time: 22 weeks

All customer provided data and requirement must be finalized at the time of purchase order placement. Revision to contract requirements may result in schedule changes and delays. All lead-times are subject to change based on prior sales and loaded factory capacity, please contact factory for actual lead-times at time of order placement.

Example R-MAG Cost Savings

Operating mechanism maintenance cost savings

	Mechanism type		
	Spring charged ¹		Magnetic actuator
Estimated service life (years) ²	30		30
Number of years between maintenance	5	10	Not applicable
Labor cost per hour	\$ 239.00	\$ 239.00	Not applicable
Switching time (hrs.)	2 hrs.	2 hrs.	Not applicable
# of workers required for switching	2 workers	2 workers	Not applicable
Cost of Switching	\$ 956.00	\$ 956.00	Not applicable
Time to complete maintenance (hrs.)	2 hrs.	2 hrs.	Not applicable
# of workers required for maintenance	2 workers	2 workers	Not applicable
Cost of Maintenance	\$ 956.00	\$ 956.00	Not applicable
Cost per maintenance event	\$ 1,912.00	\$ 1,912.00	Not applicable
Lifetime maintenance costs	\$ 11,472.00	\$ 5,736.00	\$ 0.00

Lifetime operating mechanism maintenance cost savings, up to \$11,472.00

General breaker maintenance costs

	Mechanism type		
	Spring charged ¹		Magnetic actuator
Estimated service life (years) ²	30		30
Number of years between maintenance	5	10	10
Labor cost per hour	\$ 239.00	\$ 239.00	\$ 239.00
Time to complete maintenance (hrs.)	1 hr.	1 hr.	1 hr.
# of workers required for maintenance	1 worker	1 worker	1 worker
Cost per maintenance event	\$ 239.00	\$ 239.00	\$ 239.00
Lifetime maintenance costs	\$ 1,434.00	\$ 717.00	\$ 717.00

Lifetime general maintenance cost savings, up to \$717.00



ED2.0 electronic control board cost savings

	Mechanism type		
	Spring charged ¹ Replacement of coil/motor		Magnetic actuator Replacement of ED2.0
Estimated service life (years) ²	30		30
Number of years between maintenance	5	10	15
Labor cost per hour	\$ 239.00	\$ 239.00	\$ 239.00
Time to complete maintenance (hrs.)	4 hrs.	4 hrs.	1.5 hrs.
# of workers required for maintenance	2 workers	2 workers	1 worker
Cost per maintenance event	\$ 1,912.00	\$ 1,912.00	\$ 358.50
Lifetime maintenance costs	\$ 11,472.00	\$ 5,736.00	\$ 717.00

Lifetime ED2.0 change-out cost savings up to \$10,755.00

¹The values used for the spring charged mechanism breaker referred to in the 'Example R-MAG Cost Savings' are based on ABB's R-MEC breaker that utilizes a spring charged mechanism.

²The Estimated Service Life refers to the normally observed useful service life for a product. The estimated service life will vary based on the environment, maintenance and usage of the breaker; ABB offers a standard 5year limited warranty for its R-MAG product line.

PPI Indexes

BLS Series ID	Description
PCU335313335313A	PPI industry data for Switchgear and switchboard apparatus mfg-Switchgear, excluding ducts and relays

BLS Series ID	Description
PCU335313335313	PPI industry data for Switchgear and switchboard apparatus mfg

In case that the delivery requested by the customer is greater than 6 months from the date of the Purchase Order, price recalculation will be for each separate LOT/delivery in time of actual Release for Manufacturing for that LOT/delivery. The adjustment will be calculated according to the following formula:

$$P_1 = P_0 \left(1 + \frac{PPI_1 - PPI_0}{PPI_0} \right) = \text{new price in absolute value}$$

Where: PPI_0 = PPI month of Order

PPI_1 = PPI month of actual Release for Manufacturing

P_1 = new price

P_0 = original price

PPI Index: <https://data.bls.gov/pdq/querytool.jsp?survey=pc>

TERMS AND CONDITIONS OF SALE

General Policies and Conditions

1. This Proposal is offered subject to the following: 1) attached TERMS AND CONDITIONS OF SALE, 2) an executed Master Supply Agreement ("MSA"), and 3) ABB Inc.'s current general Terms and Condition of Sale. Any conflict among the documents comprising the terms of this Proposal shall be resolved in accordance with the following order of precedence: (i) an executed MSA incorporating the following Terms and Conditions of Sale (ii) attached TERMS AND CONDITIONS OF SALE incorporating ABB Inc. General Terms and Conditions of Sale (iii) or ABB Inc. General Terms and Conditions of Sale. Non-ABB preprinted PO terms have no force and/or effect and are hereby rejected by ABB.
2. All quoted or agreed prices are subject to revision at any time in the event of: (i) a material increase in component, raw material, or energy costs; or (ii) governmental action such as new or increased tariffs.
3. Buyer represents and warrants that there are no federal, state, or local (collectively "Governmental") contracting provisions, regulations, flow-downs, or requirements that apply to this transaction, including without limitation any Governmental domestic preference or prevailing wage, other than such terms that have been disclosed and agreed to by Seller in writing. Buyer assumes sole responsibility for any costs associated with non-compliance of terms not agreed by Seller in writing. Unless expressly provided in writing, Seller makes no representation that the quoted product(s) or service(s) comply with any Governmental contracting provisions and regulations.
4. This proposal expires in 30 calendar days, unless terminated sooner by notice. This proposal is not inclusive of taxes of any kind, unless explicitly stated.
5. Orders not requiring engineered drawings for approval must be released by Buyer for manufacture within 90 days of PO receipt. If engineered drawings are required, they must be returned and approved by Buyer for release within 60 days of mailing. If not, and/or shipment is delayed for any reason the price will increase by 1.5% for each partial/full month that shipment release is delayed after the 90-day period. If project is delayed 6 months or more after PO receipt, project will be repriced based off current market values.
6. For MV Transformers (including Padmount, Substation, & Power transformers), refer to the factory proposal for applicable terms and conditions including, but not limited to quote validity, price validity, escalation, warranty, cancellation, estimated delivery, and freight terms.

Payment Terms

1. Net 30 days from the date of invoice
2. For projects up to \$1,000,000 net, terms of payment are 100% upon invoicing.
3. If project value exceeds \$1,000,000 net, progress payments are required payable at the following milestones. These milestones will be applied at a line-item level and will be tailored to the project schedule.
 - 20% upon delivery of drawings
 - 30% upon release of equipment
 - 50% upon shipment

Warranty

1. The warranty for Products shall expire one (1) year from date of installation or eighteen (18) months after date of shipment, whichever occurs first, except that software is warranted for ninety (90) days from delivery. The warranty for Services shall expire one (1) year after performance of the Service, except that software related Services are warranted for ninety (90) days.
2. Additional 12 months available for 2% adder, 24 months for 4% adder. Engage ABB representative if longer durations are needed.
3. All warranty claim remedies are provided under the General Terms and Conditions of Sale, or any applicable MSA, whichever is applicable between the parties.

Order Cancellation - Schedule of Charges

1. 10% - Order received.
2. 30% - Drawings for approval submitted, if required.
3. 50% - Revisions to approval drawings submitted, if required.
4. 80% - Order released for manufacturing and shipment.
5. 100% - Production started.

Delivery and Transportation

1. CPT/FCA ABB's facility, place of manufacture or warehouse (Incoterms 2020). Title and risk of loss passes upon shipment.
2. ABB will assume the risk of loss or damage to the destination for a 2% adder (but not less than \$500 net) applied to the total price of the equipment. "Destination" is defined as ABB's common carrier's delivery point nearest first destination or point of export within the continental U.S.
3. Transportation and handling are prepaid and billed, unless otherwise noted in this quotation or MSA.
4. Shipment via Air or Open Top/Flatbed/Lift gate truck not included unless specifically listed herein.
5. Special Instruction - The Receiving Associate is required to sign, date, and note specific visible or concealed damage on Bill of Lading at time of delivery. Freight Company Associate is required to witness Receiver's signature, date, and damage claim annotations. ABB's Post Sales Service Department must be provided with copy of annotated BOL within five (5) days of delivery or Shipper's responsibility ends.

Other Notes

1. Standard factory test procedures will be performed. Customer inspections, customer witness tests, and any other non-standard test procedures are not included unless specifically noted herein.
2. The accompanying Bill of Material is our interpretation of what is required to meet the intent of the listed Drawings and Specifications. Please review thoroughly for accuracy and completeness and advise immediately if any revisions are required. This proposal is limited to the attached Bill of Material only. Selective coordination of the system should be verified by a qualified engineer and may require changes to the design, Bill of Material, and price.
3. The Parties are aware of the shortage of raw materials, electronic components worldwide which is likely to last for the foreseeable future, as well as, of market fluctuations in the availability and cost of other raw materials, commodities, other critical components, and transportation capacities. Notwithstanding anything to the contrary in the contract terms and conditions / purchase order, if after the date of ABB's proposal / offer or during the term of the performance of the contract / purchase order there are any changes to availability and / or market conditions for electronic components, raw materials, commodities, and transportation capabilities directly or indirectly affecting ABB's performance, ABB shall be entitled to relief in the schedule of the performance or delivery of the directly or indirectly affected scope of work under the contract / purchase order. In such circumstances, the Parties shall meet without delay and discuss in good faith to find a mutually agreeable solution, with equitable adjustment to the contract / purchase order date of delivery or completion. Customer hereby acknowledges and agrees that in said circumstances ABB may not be able to comply with the originally agreed delivery or completion schedule and that ABB shall not be liable for any liquidated or actual damages in connection thereto.

ABB INC. GENERAL TERMS AND CONDITIONS OF SALE

(2024-01 U.S.)

1. General.

The terms and conditions contained herein, together with any additional or different terms contained in ABB's proposal, quotation and/or invoice ("Proposal"), if any, submitted to Purchaser (which Proposal, Policies, Addendum(s), if any, submitted to Purchaser shall control over any conflicting terms), constitute the entire agreement (the "Agreement") between the parties with respect to the purchase order and supersede all prior communications and agreements regarding the purchase order. Acceptance by ABB of the purchase order, or Purchaser's acceptance of ABB's Proposal, is expressly limited to and conditioned upon Purchaser's acceptance of these terms and conditions, payment for or acceptance of any performance by ABB being acceptance. These terms and conditions may not be changed or superseded by any different or additional terms and conditions proposed by Purchaser to which terms ABB hereby objects. Unless the context otherwise requires, the term "Equipment" as used herein means all of the equipment, parts, accessories sold, and all software and software documentation, if any, licensed to Purchaser by ABB ("Software") under the purchase order. Unless the context otherwise requires, the term "Services" as used herein means all labor, supervisory, technical and engineering, installation, repair, consulting or other services provided by ABB under the purchase order. As used herein, the term "Purchaser" shall also include the initial end user of the Equipment and/or services; provided, however, that Article 14(a) shall apply exclusively to the initial end user.

2. Prices.

(a) Unless otherwise specified in writing, all Proposals expire thirty (30) days from the date thereof and may be modified or withdrawn by ABB before receipt of Purchaser's conforming acceptance. All quoted prices are subject to revision at any time in the event of any increase in raw material, energy costs or governmental actions such as tariffs.

(b) Unless otherwise stated herein, Services prices are based on normal business hours (8 a.m. to 5 p.m. Monday through Friday). Overtime and Saturday hours will be billed at one and one-half (1 1/2) times the hourly rate; and Sunday hours will be billed at two (2) times the hourly rate; holiday hours will be billed at three (3) times the hourly rate. If a Services rate sheet is attached hereto, the applicable Services rates shall be those set forth in the rate sheet. Rates are subject to change without notice.

(c) The price does not include any federal, state or local property, license, privilege, sales, use, excise, gross receipts, or other like taxes which may now or hereafter be applicable. Purchaser agrees to pay or reimburse any such taxes which ABB or its suppliers are required to pay or collect. If Purchaser is exempt from the payment of any tax or holds a direct payment permit, Purchaser shall, upon purchase order placement, provide ABB a copy, acceptable to the relevant governmental authorities of any such certificate or permit.

(d) The price includes customs duties and other importation or exportation fees, if any, at the rates in effect on the date of ABB's Proposal. Any change after that date in such duties, fees, or rates, shall increase the price by ABB's additional cost.

3. Payment.

(a) Unless specified to the contrary in writing by ABB, payment terms are net cash, payable without offset, in United States Dollars, 30 days from date of invoice by wire transfer to the account designated by ABB in the Proposal. ABB is not required to commence or continue its performance unless and until invoiced payments have been received in a timely fashion. For each day of delay in receiving required payments, ABB shall be entitled to a matching extension of the schedule.

(b) If in the judgment of ABB, the financial condition of Purchaser at any time prior to delivery does not justify the terms of payment specified, ABB may require payment in advance, payment security satisfactory to ABB and suspend its performance until said advance payment or payment security is received or may terminate the purchase order, whereupon ABB shall be entitled to receive reasonable cancellation charges. If delivery is delayed by Purchaser, payment shall be due on the date ABB is prepared to make delivery. Delays in delivery or nonconformities in any installments delivered shall not relieve Purchaser of its obligation to accept and pay for remaining installments.

(c) Purchaser shall pay, in addition to the overdue payment, a late charge equal to the lesser of 1 1/2% per month or any part thereof or the highest applicable rate allowed by law on all such overdue amounts plus ABB's attorneys' fees and court costs incurred in connection with collection. If Purchaser fails to make payment of any amounts due under any purchase order and fails to cure such default within ten (10) days after receiving written notice specifying such default, then ABB may by written notice, at its option, suspend its performance under the purchase order until such time as the full balance is paid or terminate the purchase order, as of a date specified in such notice. In the event of suspension, cancellation or termination hereunder, ABB will be entitled to recover all costs for work performed to date, costs associated with suspension, cancellation or termination of the work and all other costs recoverable at law.

4. Changes.

(a) Any changes requested by Purchaser affecting the ordered scope of work must first be reviewed by ABB and any resulting adjustments to affected provisions, including price, schedule, and guarantees mutually agreed in writing prior to implementation of the change.

(b) ABB may, at its expense, make such changes in the Equipment or Services as it deems necessary, in its sole discretion, to conform the Equipment or Services to the applicable specifications. If Purchaser objects to any such changes, ABB shall be relieved of its obligation to conform to the applicable specifications to the extent that conformance may be affected by such objection.

5. Delivery.

(a) All Equipment manufactured, assembled or warehoused in the continental United States is delivered FCA ABB point of shipment, Incoterms® 2020 unless otherwise mutually agreed in writing. Equipment shipped outside the continental United States is delivered FCA Incoterms® 2020 United States port of export unless otherwise mutually agreed in writing. Purchaser shall be responsible for any and all demurrage or detention charges.

(b) If the scheduled delivery of Equipment is delayed by Purchaser or by Force Majeure, ABB may move the Equipment to storage for the account of and at the risk of Purchaser whereupon it shall be deemed to be delivered.

(c) Shipping and delivery dates are contingent upon Purchaser's timely approvals and delivery by Purchaser of any documentation required for ABB's performance hereunder.

(d) Claims for shortages or other errors in delivery must be made in writing to ABB within ten (10) days of delivery. Equipment may not be returned except with the prior written consent of and subject to terms specified by ABB. Claims for damage after delivery shall be made directly by Purchaser with the common carrier.

6. Title & Risk of Loss.

Except with respect to Software (for which title shall not pass, use being licensed) title to Equipment shall transfer to Purchaser upon delivery according to the applicable freight term. Notwithstanding any agreement with respect to delivery terms or payment of transportation charges, risk of loss or damage with respect to the sale of Equipment shall pass from ABB to Purchaser at delivery as defined in this Agreement.

7. Inspection, Testing and Acceptance.

(a) Any inspection by Purchaser of Equipment on ABB's premises shall be scheduled in advance to be performed during normal working hours and subject to rules and regulations in place at the ABB premises.

(b) If the purchase order provides for factory acceptance testing, ABB shall notify Purchaser when ABB will conduct such testing prior to shipment. Unless Purchaser states specific objections in writing within ten (10) days after completion of factory acceptance testing, completion of the acceptance test constitutes Purchaser's factory acceptance of the Equipment and its authorization for shipment.

(c) If the purchase order provides for site acceptance testing, testing will be performed by ABB personnel to verify that the Equipment has arrived at site complete, without physical damage, and in good operating condition. Completion of site acceptance testing constitutes full and final acceptance of the Equipment. If, through no fault of ABB, acceptance testing is not completed within thirty (30) days after arrival of the Equipment at the site, the site acceptance test shall be deemed completed and the Equipment shall be deemed accepted.

8. Warranties and Remedies.

(a) **Equipment and Services Warranty.** ABB warrants that Equipment (excluding Software, which is warranted as specified in paragraph (d) below) shall be delivered free of defects in material and workmanship and that

Services shall be free of defects in workmanship. The Warranty Remedy Period for Equipment (excluding Software and Spare Parts) shall end twelve (12) months after installation or eighteen (18) months after date of shipment, whichever first occurs. The Warranty Remedy Period for new spare parts shall end twelve (12) months after date of shipment. If the purchase order includes the sale of refurbished or repaired parts, the Warranty Remedy Period for such parts shall end ninety (90) days after date of shipment. The Warranty Remedy Period for Services shall end ninety (90) days after the date of completion of Services.

(b) **Equipment and Services Remedy.** If a nonconformity to the foregoing warranty is discovered in the Equipment or Services during the applicable Warranty Remedy Period, as specified above, under normal and proper use and provided the Equipment has been properly stored, installed, operated and maintained and written notice of such nonconformity is provided to ABB promptly after such discovery and within the applicable Warranty Remedy Period, ABB shall, at its option, either (i) repair or replace the nonconforming portion of the Equipment or re-perform the nonconforming Services or (ii) refund the portion of the price applicable to the nonconforming portion of Equipment or Services. If any portion of the Equipment or Services so repaired, replaced or re-performed fails to conform to the foregoing warranty, and written notice of such nonconformity is provided to ABB promptly after discovery and within the original Warranty Remedy Period applicable to such Equipment or Services or thirty (30) days from completion of such repair, replacement or re-performance, whichever is later, ABB will repair or replace such nonconforming Equipment or re-perform the nonconforming Services. The original Warranty Remedy Period shall not otherwise be extended.

(c) **Exceptions.** ABB shall not be responsible for providing temporary power, removal, installation, reimbursement for labor costs or working access to the nonconforming Equipment, including disassembly and re-assembly of non-ABB supplied equipment, or for providing transportation to or from any repair facility, or for any other expenses incurred in connection with the repair or replacement, all of which shall be at Purchaser's risk and expense. ABB shall have no obligation hereunder with respect to any Equipment which (i) has been improperly repaired or altered; (ii) has been subjected to misuse, negligence or accident; (iii) has been used in a manner contrary to ABB's instructions; (iv) is comprised of materials provided by or a design specified by Purchaser; or (v) has failed as a result of ordinary wear and tear. Equipment supplied by ABB but manufactured by others is warranted only to the extent of the manufacturer's warranty, and only the remedies, if any, provided by the manufacturer will be allowed.

(d) **Software Warranty and Remedies.** ABB warrants that, except as specified below, the Software will, when properly installed, execute in accordance with ABB's published specification. If a nonconformity to the foregoing warranty is discovered during the period ending one (1) year after the date of shipment and written notice of such nonconformity is provided to ABB promptly after such discovery and within that period, including a description of the nonconformity and complete information about the manner of its discovery, ABB shall correct the nonconformity by, at its option, either (i) modifying or making available to the Purchaser instructions for modifying the Software; or (ii) making available at ABB's facility necessary corrected or replacement programs. ABB shall have no obligation with respect to any nonconformities resulting from (i) unauthorized modification of the Software or (ii) Purchaser-supplied software or interfacing. ABB does not warrant that the functions contained in the software will operate in combinations which may be selected for use by the Purchaser, or that the software products are free from errors in the nature of what is commonly categorized by the computer industry as "bugs".

(e) THE FOREGOING WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES OF QUALITY AND PERFORMANCE, WHETHER WRITTEN, ORAL OR IMPLIED, AND ALL OTHER WARRANTIES INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USAGE OF TRADE ARE HEREBY DISCLAIMED. THE REMEDIES STATED HEREIN CONSTITUTE PURCHASER'S EXCLUSIVE REMEDIES AND ABB'S ENTIRE LIABILITY FOR ANY BREACH OF WARRANTY.

9. Intellectual Property Infringement.

(a) ABB shall defend at its own expense any action brought against Purchaser alleging that the Equipment or the use of the Equipment to practice any process for which such Equipment is specified by ABB (a "Process") directly infringes a patent in effect in the United States, an European Union member state or the country of the Site (provided there is a corresponding patent issued by the U.S., UK or an EU member state), or any copyright or trademark registered in the country of the Site and to pay all damages and costs finally awarded in any such action, provided that Purchaser has given ABB prompt written notice of such action, all necessary assistance in the defense thereof and the right to control all aspects of the defense thereof including the right to settle or otherwise terminate such action in behalf of Purchaser.

(b) ABB shall have no obligation hereunder and this provision shall not apply to: (i) any other equipment or processes, including Equipment or Processes which have been modified or combined with other equipment or process not supplied by ABB; (ii) any Equipment or Process supplied according to a design, other than an ABB design, required by Purchaser; (iii) any products manufactured by the Equipment or Process; (iv) any use of the Equipment or Process contrary to ABB instructions; (v) any patent issued after the date hereof; or (vi) any action settled or otherwise terminated without the prior written consent of ABB.

(c) If, in any such action, the Equipment is held to constitute an infringement, or the practice of any Process using the Equipment is finally enjoined, ABB shall, at its option and its own expense, procure for Purchaser the right to continue using said Equipment; or modify or replace it with non-infringing equipment or, with Purchaser's assistance, modify the Process so that it becomes non-infringing; or remove it and refund the portion of the price allocable to the infringing Equipment. THE FOREGOING PARAGRAPHS STATE THE EXCLUSIVE LIABILITY OF ABB AND EQUIPMENT MANUFACTURER FOR ANY INTELLECTUAL PROPERTY INFRINGEMENT.

(d) To the extent that said Equipment or any part thereof is modified by Purchaser, or combined by Purchaser with equipment or processes not furnished hereunder (except to the extent that ABB is a contributory infringer) or said Equipment or any part thereof is used by Purchaser to perform a process not furnished hereunder by ABB or to produce an article, and by reason of said modification, combination, performance or production, an action is brought against ABB, Purchaser shall defend and indemnify ABB in the same manner and to the same extent that ABB would be obligated to indemnify Purchaser under this "Intellectual Property Indemnification" provision.

10. Waiver of Consequential Damages.

In no event shall ABB, its suppliers or subcontractors be liable for special, indirect, incidental or consequential damages, whether in contract, warranty, tort, negligence, strict liability or otherwise, including, but not limited to, loss of profits or revenue, loss of data, loss of use, loss of use of any of the Equipment or any associated equipment, cost of capital, cost of substitute equipment, facilities or services, downtime costs, delays, and claims of customers of the Purchaser or other third parties for any damages.

11. Limitation of Liability.

(a) ABB's aggregate liability for all claims whether in contract, warranty, tort, negligence, strict liability, or otherwise for any loss or damage arising out of, connected with, or resulting from this Agreement or the performance or breach thereof, or from the design, manufacture, sale, delivery, resale, repair, replacement, installation, technical direction of installation, inspection, operation or use of any equipment covered by or furnished under this Agreement, or from any services rendered in connection therewith, shall in no case (except as provided in the section entitled "Intellectual Property Indemnification") exceed the purchase order price.

(b) All causes of action against ABB arising out of or relating to this Agreement or the performance or breach hereof shall expire unless brought within one (1) year of the time of accrual thereof.

(c) In no event, regardless of cause, shall ABB be liable for penalties or penalty clauses of any description or for indemnification of Purchaser or others for costs, damages, or expenses arising out of or related to the Equipment and Services.

(d) The rights and remedies of the parties contained under these terms and conditions shall be sole and exclusive.

12. Laws and Regulations.

ABB does not assume any responsibility for compliance with federal, state or local laws and regulations, except as expressly set forth herein, and compliance with any laws and regulations relating to the operation or use of the Equipment or Software is the sole responsibility of the Purchaser. All laws and regulations referenced herein shall be those in effect as of the Proposal date. In the event of any subsequent revisions or changes thereto, ABB assumes no responsibility for compliance therewith. If Purchaser desires a modification as a result of any such change or revision, it shall be treated as a change per Article 4. Nothing contained herein shall be construed as imposing responsibility or liability upon ABB for obtaining any permits, licenses or approvals from any agency required in connection with the supply, erection or operation of the Equipment. This Agreement shall in all respects be governed by, and construed, interpreted and enforced in accordance with the laws of the State of New York, USA, excluding its conflicts of laws rules and the provisions of the United Nations Convention on Contracts for the International Sale of Goods, and both parties hereby agree that any litigation concerning, arising out of, or related to this Agreement, whether claims are based on contract, tort, equity or otherwise, shall be conducted only in the state or federal courts functioning in the State of New York, New York County and waive the defense of an inconvenient forum in respect to any such litigation. If any provision hereof, partly or completely, shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision or portion hereof and these terms shall be construed as if such invalid or unenforceable provision or portion thereof had never existed.

13. OSHA.

ABB warrants that the Equipment will comply with the relevant standards of the Occupational Safety and Health Act of 1970 ("OSHA") and the regulations promulgated thereunder as of the date of the Proposal. Upon prompt written notice from the Purchaser of a breach of this warranty, ABB will replace the affected part or modify it so that it conforms to such standard or regulation. ABB's obligation shall be limited to such replacement or modification. In no event shall ABB be responsible for liability arising out of the violation of any OSHA standards relating to or caused by Purchaser's design, location, operation, or maintenance of the Equipment, its use in association with other equipment of Purchaser, or the alteration of the Equipment by any party other than ABB.

14. Software License. (a) ABB owns all rights in or has the right to sublicense all of the Software, if any, to be delivered to Purchaser under this Agreement. As part of the sale made hereunder Purchaser hereby obtains a limited license to use the Software, subject to the following: (i) the Software may be used only in conjunction with equipment specified by ABB; (ii) the Software shall be kept strictly confidential; (iii) the Software shall not be copied, reverse engineered, or modified; (iv) the Purchaser's right to use the Software shall terminate immediately when the specified equipment is no longer used by the Purchaser or when otherwise terminated, e.g. for breach, hereunder; and (v) the rights to use the Software are non-exclusive and non-transferable, except with ABB's prior written consent. (b) Nothing in this Agreement shall be deemed to convey to Purchaser any title to or ownership in the Software or the intellectual property contained therein in whole or in part, nor to designate the Software a "work made for hire" under the Copyright Act, nor to confer upon any person who is not a named party to this Agreement any right or remedy under or by reason of this Agreement. In the event of termination of this License, Purchaser shall immediately cease using the Software and, without retaining any copies, notes or excerpts thereof, return to ABB the Software and all copies thereof and shall remove all machine-readable Software from all of Purchaser's storage media.

15. Intellectual Property, Inventions and Information.

(a) "Intellectual Property Rights" means all current and future rights in copyrights, trade secrets, trademarks, mask works, patents, design rights, trade dress, and any other intellectual property rights that may exist anywhere in the world, including, in each case whether unregistered, registered or comprising an application for registration, and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of the foregoing. "Technology" means all inventions, discoveries, ideas, concepts, methods, code, executables, manufacturing processes, unique compositions, mask works, designs, marks, and works of authorship fixed in the medium of expression, and materials pertaining to any of the preceding, whether or not patentable, copyrightable or subject to other forms of protection.

(b) ABB shall maintain all right, title and interest in any Technology and Intellectual Property Rights that ABB owned, created, conceived or discovered prior to entering into this Agreement, or owns, creates or discovers separately from the activities contemplated by this Agreement. Unless otherwise agreed in writing by ABB and Purchaser, ABB shall have all right, title and interest in any Technology and Intellectual Property Rights that ABB creates, conceives or discovers in furtherance of this Agreement, and ABB shall have all right, title and interest in any Technology and Intellectual Property Rights embodied in the Equipment and Services. Any design, manufacturing drawings or other information submitted to the Purchaser remains the exclusive property of ABB. Purchaser shall not, without ABB's prior written consent, copy or disclose such information to a third party, unless required by a public information request from a governmental body. Such information shall be used solely for the operation or maintenance of the Equipment and not for any other purpose, including the duplication thereof in whole or in part.

16. Force Majeure.

ABB shall neither be liable for loss, damage, detention or delay nor be deemed to be in default for failure to perform when prevented from doing so by causes beyond its reasonable control including but not limited to acts of war (declared or undeclared), delays attributable to outbreaks, epidemics and pandemics (including any variations),

Acts of God, fire, strike, labor difficulties, acts or omissions of any governmental authority or of Purchaser, compliance with government regulations, insurrection or riot, embargo, delays or shortages in transportation or inability to obtain necessary labor, materials, or manufacturing facilities from usual sources or from defects or delays in the performance of its suppliers or subcontractors due to any of the foregoing enumerated causes. In the event of delay due to any such cause, the date of delivery will be extended by period equal to the delay plus a reasonable time to resume production, and the price will be adjusted to compensate ABB for such delay.

17. Cancellation.

Special order, custom designed, and made-to-order Equipment are non-cancelable and non-returnable. Any other purchase order may be cancelled by Purchaser only upon prior written notice and payment of termination charges as set forth in the cancellation schedule included in the Proposal or payment of, including but not limited to, the purchase price of the work performed prior to the effective date of notice of termination, the costs identified to the purchase order incurred by ABB for work not completed, and all expenses incurred by ABB attributable to the termination, plus a fixed sum of ten (10) percent of the final total price to compensate for disruption in scheduling, planned production and other indirect costs.

18. Termination.

(a) No termination by Purchaser for material default shall be effective unless, within fifteen (15) days after receipt by ABB of Purchaser's written notice specifying such default, ABB shall have failed to initiate and pursue with due diligence correction of such specified default.

(b) If the event of termination for a material default, ABB shall reimburse Purchaser the difference between that portion of the Agreement price allocable to the terminated scope and the actual amounts reasonably incurred by Purchaser to complete that scope, and Purchaser shall pay to ABB the portion of the Agreement price allocable to Equipment completed and any amounts due for Services performed before the effective date of termination.

(c) ABB may terminate the Agreement (or any affected portion thereof) immediately for cause if Purchaser becomes insolvent/bankrupt, or materially breaches the Agreement, including, but not limited to, failure or delay in Purchaser making any payment when due, or fulfilling any payment conditions.

19. Export Control.

(a) The following definitions apply to this Article 19:

"Trade Control Laws" means all applicable trade and economic sanctions laws and regulations, specifically including but not limited to the U.S. International Traffic in Arms Regulations ("ITAR"), 22 C.F.R. 120 et seq.; the Export Administration Regulations ("EAR"), 15 C.F.R. 730-774; the Foreign Assets Control Regulations ("FACR"), 31 C.F.R. 500-598; the Foreign Trade Regulations ("FTR"), 15 C.F.R. 30-199; and any administrative or regulatory decisions or guidelines adopted pursuant to Trade Control Laws.

"Purchaser Entities" means Purchaser's officers, directors, employees, parent company, subsidiaries and other affiliates, and if the Equipment, Software and/or Services are subject to resale or other distribution, Purchaser's customers and end-users of the same.

(b) Purchaser shall comply in all respects with Trade Control laws and shall not export, re-export, transfer, disclose or otherwise provide or make accessible the Equipment, Software, data or other information provided to Purchaser by ABB hereunder, to any non-U.S. person or entity (including Purchaser's dual and/or third-country national employees or third party contractors) without first complying with all requirements of the applicable Trade Control Laws. If Purchaser is a U.S. entity and is engaged in the business of either exporting or manufacturing (whether exporting or not) Defense Articles or furnishing Defense Services as defined in the ITAR, Purchaser represents that it shall maintain an active registration with the U.S. Department of State's Directorate of Defense Trade Controls ("DDTC"), as required by the ITAR, throughout the performance of this Contract, and that it maintains an effective export and import compliance program in accordance with the ITAR. If Purchaser is a U.S. entity and will export ABB's Equipment, Software, and/or data, Purchaser will be considered an exporter within the meaning of the U.S. export regulations. Therefore, ABB should not be listed as the exporter or U.S. Principal Party in Interest ("USPPI") on any documentation or filings relating to any export. Purchaser acknowledges it's acting on its own behalf and not as ABB's agent for export or any other purposes.

(c) Purchaser represents and warrants that the Equipment, Software and Services provided hereunder, and the "direct product" thereof are intended for civil use only and will not be used, directly or indirectly, for the production of chemical or biological weapons or of precursor chemicals for such weapons, or for any direct or indirect nuclear end use or any other end use prohibited by Trade Control Laws.

(d) Purchaser represents and warrants that: (1) neither Purchaser nor any Purchaser Entity is included on any of the restricted party lists maintained by the U.S. Government, including the Specially Designated Nationals List administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), Denied Parties List, Unverified List or Entity List maintained by the U.S. Commerce Department's Bureau of Industry and Security ("BIS"), or the List of Statutorily Debarred Parties maintained by the U.S. State Department's Directorate of Defense Trade Controls, listed, the ITAR §126.f Restricted Parties List, or the consolidated list of asset freeze targets designated by the United Nations, European Union, and United States or any similar list maintained by the European Union or

European member state (collectively "Restricted Parties List"); and (2) no entity or person listed on the Restricted Parties List (or owned directly or indirectly, in whole or in part, by an entity or person on the Restricted Parties List) has any property, financial or other interest in the Equipment, Software or Services, and that the same shall not be transferred, reexported, disclosed to or otherwise provided to an entity or person on the Restricted Parties List. Purchaser shall notify ABB immediately if Purchaser or a Purchaser Entity becomes listed on the Restricted Parties List.

(e) Purchaser shall notify ABB immediately upon awareness of any breach or suspected breach of this Article 19. Any violation of Purchaser's obligations under this Article 19 is a material breach of this Agreement and ABB reserves the right to terminate the Agreement immediately upon written notice for Purchaser's default. Purchaser shall indemnify, defend and hold harmless ABB, its officers, directors, employees, agents, affiliates, successors, and permitted assigns from and against all claims, causes of action, damages, liabilities, and expenses, including attorney's fees arising from Purchaser's breach of this Article 19 and any resulting termination of this Agreement.

(f) If agreed to by the Parties pursuant to a written statement of work or elsewhere in this Agreement, ABB shall file for a U.S. export license, but only after appropriate documentation for the license application has been provided by Purchaser. Purchaser shall furnish such documentation within a reasonable time after purchase order acceptance. Any delay in obtaining such license shall suspend performance of this Agreement by ABB. If an export license is not granted or, if once granted, is thereafter revoked or modified by the appropriate authorities, this Agreement may be canceled by ABB without liability for damages of any kind resulting from such cancellation. At ABB's request, Purchaser shall provide to ABB a Letter of Assurance and End-User Statement in a form reasonably satisfactory to ABB.

(g) When applicable, the party considered the exporter of the Equipment, Software, Services and/or data, will apply for the export license in compliance with all applicable Trade Control Laws. If ABB is the applicant of the export license, the Purchaser agrees to immediately provide all the necessary information and documentation (i.e. End-User/End-Use Certificate and Letter of Assurance) required to apply for the license. If an export license is denied or revoked, the applicant must notify the other party immediately and this Agreement may be terminated by ABB without liability for damages of any kind resulting from such termination.

20. Trade Controls

(a) The Parties agree to comply with all applicable sanctions and export control laws in connection with this Agreement. Sanctions and export control laws and regulations include any applicable laws, regulations, or administrative or regulatory decisions or guidelines that sanction, prohibit or restrict certain activities including, but not limited to, (i) import, export, re-export, transfer, or trans-shipment of goods, services, technology, or software; (ii) financing of, in-vestment in, or direct or indirect transactions or dealings with certain countries, territories, regions, governments, projects, or specifically designated persons or entities, including any future amendments to these provisions; or (iii) any other laws, regulations, administrative or regulatory decisions, or guidelines adopted, maintained, or enforced by any Sanctions Agency on or after the date of the [Individual Order] (collectively, "Trade Control Laws"). "Sanctions Agency" means any governmental or regulatory body, instrumentality, authority, institution, agency or court that promulgates or administers Trade Control Laws including, but not limited to, the aforementioned governmental and regulatory bodies of (i) the United Nations, (ii) the United States of America (including the U.S. Department of Treasury Office of Foreign Assets Control, U.S. Department of State and U.S. Department of Commerce), (iii) the European Union or (iv) Switzerland.

(b) The Parties confirm that they have not violated, shall not violate, and shall not cause the other Party to violate, any applicable Trade Control Laws. Each Party represents and warrants that, to the best of its knowledge, at the date of the [Individual Order] neither it, nor any of their respective directors or officers are a Restricted Person. Each Party agrees that it shall promptly notify the other Party if it becomes a Restricted Person. "Restricted Person" means any entity or person included on a list (including U.S. and EU lists) of targeted parties, blocked parties, or persons subject to asset-freezing or other restrictions introduced under any applicable Trade Control Laws (and includes any entity that is directly or indirectly owned fifty (50) percent or more, in the aggregate or individually, or otherwise controlled by any Restricted Person).

(c) If, as a result of Trade Control Laws issued or amended after the date of the [Individual Order], including, but not limited to, (i) the Purchaser or the end-user is/becomes a Restricted Person, or (ii) any necessary export license or authorization from a Sanctions Agency is not granted, the performance by ABB or any of its affiliates becomes illegal or impracticable, ABB shall be entitled to either immediately suspend the performance of the affected obligation under the [Individual Order] until such time as ABB may lawfully discharge such obligation or unilaterally terminate the [Individual Order] in whole or in part. ABB will not be liable to the Purchaser for any costs, expenses or damages associated with such suspension or termination of the [Individual Order].

(d) The Parties undertake to obtain all the necessary licenses and/or permits from the competent authorities for the import or export, re-export, or in-country transfer of Equipment and Services, Equipment and Software, and the "direct product" thereof, that originate from the United States are subject to the U.S. Export Administration Regulations ("EAR") and must not be exported, re-exported, or transferred (in-country) without obtaining the necessary valid licenses/authorizations of the competent US authorities. At ABB's request, Purchaser shall provide to ABB a Letter of Assurance and End-User Statement in a form reasonably satisfactory to ABB.

(e) The Purchaser represents and warrants that the Equipment and Services are for civil use only. The Purchaser further represents that it will not directly or indirectly sell, export, re-export, release, transmit or otherwise transfer any items received from ABB to any Restricted Parties, or parties that operate, or whose end use will be, in a jurisdiction/region prohibited by ABB including Belarus, Crimea, Cuba, Iran, North Korea, Russia, Syria, as well as the Donetsk, Luhansk, Kherson, and Zaporizhzhia regions of Ukraine (such list may be amended by ABB at any time).

(f) If the Purchaser infringes any obligations in this Trade Controls clause in connection with the [Individual Order], the Purchaser must immediately notify ABB. Failure to comply with these Trade Compliance obligations shall be considered a material breach, and ABB shall have the right to unilaterally terminate the Agreement with immediate effect. Such termination would be without prejudice to all rights of recourse which could be exercised by ABB, and ABB shall not be liable to Purchaser for any claim, losses or damages whatsoever related to its decision to terminate performance under this provision. Further, Purchaser shall indemnify ABB for all liabilities, damages, costs, or expenses incurred as a result of any such violation, breach and/or termination of the Agreement. ABB may report such violations to relevant authorities as required by applicable Trade Control Laws.

(g) For the avoidance of doubt, no provision in this Agreement shall be interpreted or applied in a way that would require any Party to do, or refrain from doing, any act which would constitute a violation of, or result in a loss of economic benefit under, applicable Trade Control Laws.

21. Bribery and Corruption.

(a) Purchaser hereby warrants that it will not, directly or indirectly, and it has no knowledge that other persons will, directly or indirectly, make any payment, gift or other commitment to its customers, to government officials or to agents, directors and employees of Seller or any other party in a manner contrary to applicable laws (including but not limited to

the Corruption of Foreign Public Officials Act (Canada), the Foreign Corrupt Practices Act (United States) and, where applicable, legislation enacted by member States and signatories implementing the OECD Convention Combating Bribery of Foreign Officials) and shall comply with all relevant laws, regulations, ordinances and rules regarding bribery and corruption.

(b) Nothing hereunder shall render Seller liable to reimburse Purchaser for any such consideration given or promised.

(c) Purchaser's material violation of any of the obligations contained in Article 20(a) above may be considered by Seller to be a material breach hereunder and shall entitle Seller to terminate this agreement with immediate effect and without prejudice to any further right or remedies on the part of Seller hereunder or applicable law. Purchaser shall indemnify Seller for all liabilities, damages, costs or expenses incurred as a result of any such violation of the above-mentioned obligations and termination of this agreement.

(d) Purchaser understands that Seller's Code of Conduct is available for consultation online at <http://www.abb.com/integrity>. Purchaser agrees to perform its contractual obligations hereunder with substantially similar standards of ethical behavior as those found in Supplier's Code of Conduct.

(e) Seller has established the following reporting channels where Purchaser and its employees may report suspected violations of applicable laws, policies or standards of conduct:

Web portal: www.abb.com/integrity

Telephone: number specified on the above Web portal

Mail: address specified on the above Web portal

22. Assignment.

Any assignment of this Agreement or of any rights or obligations under the Agreement without prior written consent of ABB shall be void.

23. Nuclear.

Equipment and Services sold hereunder are not intended for use in connection with any nuclear facility or activity, and Purchaser warrants that it shall not use or permit others to use Equipment or Services for such purposes, without the advance written consent of ABB. If, in breach of this, any such use occurs, ABB (and its parent, affiliates, suppliers and subcontractors) disclaims all liability for any nuclear or other damage, injury or contamination, including without limitation any physical damage to a nuclear facility itself, resulting from a nuclear incident and, in addition to any other rights of ABB, Purchaser shall indemnify and hold ABB (and its parent, affiliates, suppliers and subcontractors) harmless against all such liability including, but not limited to, any physical damage to the nuclear facility or surrounding properties, if any. Consent of ABB to any such use, if any, will be conditioned upon additional terms and conditions that ABB determines to be acceptable for protection against nuclear liability including but not limited to the requirement that the Purchaser and/or its end user customer shall have complete insurance protection against liability and property damage including without limitation physical damage to a nuclear facility itself or any surrounding properties, if any, resulting from a nuclear incident and shall indemnify ABB, its subcontractors, suppliers and vendors against all claims resulting from a nuclear incident including, but not limited to, any physical damage to the nuclear facility.

24. Resale.

If Purchaser resells any of the Equipment or Services, the sale terms shall limit ABB's liability to the buyer to the same extent that ABB's liability to Purchaser is limited hereunder. Additionally, if the end-user intends to use the Equipment or Services in connection with any nuclear facility or activity, the Purchaser shall require the end-user comply with the financial requirements under Price-Anderson Act (PAA) and secure a written release of liability which flows from the end-user to the benefit of ABB.

25. Environmental, Health and Safety Matters.

(a) Purchaser shall be obligated to maintain safe working conditions at its facility or location (the "Site"), including the implementing of appropriate procedures regarding Hazardous Materials, confined space entry, and energization and de-energization of power systems (electrical, mechanical and hydraulic) using safe and effective lock-out/tag-out ("LOTO") procedures including physical LOTO or a mutually agreed upon alternative method.

(b) Purchaser shall immediately advise ABB in writing of all applicable Site-specific health, safety, security and environmental requirements and procedures. Without limiting Purchaser's responsibilities hereunder, ABB has the right but not the obligation to, from time to time, review, audit and inspect applicable health, safety, security and environmental documentation, procedures and conditions at the Site.

(c) If, in ABB's reasonable opinion, the health, safety, or security of personnel or the Site is, or is likely to be, imperiled by security risks, the presence of or threat of exposure to Hazardous Materials, or unsafe working conditions, ABB may, in addition to other rights or remedies available to it, remove some or all of its personnel from Site, suspend performance of all or any part of the purchase order, and/or remotely perform or supervise work. Any such occurrence shall be considered a Force Majeure event. Purchaser shall reasonably assist in ensuring the safe departure of personnel from the Site.

(d) Purchaser shall not require or permit ABB's personnel to operate Purchaser's equipment at Site.

(e) Purchaser will make its Site medical facilities and resources reasonably available to ABB personnel who need medical attention.

(f) ABB has no responsibility or liability for the pre-existing condition of Purchaser's equipment or the Site, which is the sole responsibility of Purchaser. Prior to ABB starting any work at Site, Purchaser will provide documentation that identifies the presence and condition of any Hazardous Materials existing in or about Purchaser's equipment or the Site that ABB may encounter while performing under this Agreement. The provision of such documentation shall in no way release Purchaser from its responsibility for said conditions. Purchaser shall disclose to ABB industrial hygiene and environmental monitoring data regarding conditions that may affect ABB's work or personnel at the Site. Purchaser shall keep ABB informed of changes in any such conditions.

(g) ABB shall promptly notify Purchaser if ABB becomes aware of: (i) conditions at the Site differing materially from those disclosed by Purchaser, or (ii) previously unknown physical conditions at Site differing materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Agreement. If any such conditions cause an increase in ABB's cost of, or the time required for, performance of any part of the work under the Agreement, an equitable adjustment in price and schedule shall be made.

(h) If ABB encounters Hazardous Materials in Purchaser's equipment or at the Site that require special handling or disposal, ABB is not obligated to continue work affected by the hazardous conditions. In such an event, Purchaser shall at its sole cost and expense eliminate the hazardous conditions in accordance with applicable laws and regulations so that ABB's work under the Agreement may safely proceed, and ABB shall be entitled to an equitable adjustment of the price and schedule to compensate for any increase in ABB's cost of, or time required for, performance of any part of the work. Purchaser shall properly store, transport and dispose of all Hazardous Materials introduced, produced or generated in the course of ABB's work at the Site.

(i) Purchaser shall indemnify ABB for any and all claims, damages, losses, and expenses arising out of or relating to any Hazardous Materials which are or were (i) present in or about Purchaser's equipment or the Site prior to the commencement of ABB's work, (ii) improperly handled or disposed of by Purchaser or Purchaser's employees, agents, contractors or subcontractors, or (iii) brought, generated, produced or released on Site by parties other than ABB.

26. Confidentiality.

a) ABB and Purchaser (as to information disclosed, the "Disclosing Party") may each provide the other party (as to information received, the "Receiving Party") with Confidential Information in connection with this Agreement. "Confidential Information" means (a) information that is designated in writing as "confidential" or "proprietary" by Disclosing Party at the time of written disclosure, and (b) information that is orally designated as "confidential" or "proprietary" by Disclosing Party at the time of oral or visual disclosure and is confirmed to be "confidential" or "proprietary" in writing within fifteen (15) days after the oral or visual disclosure. In addition, prices for Products and Services shall be considered ABB's Confidential Information.

(b) Receiving Party agrees: (i) to use the Confidential Information only in connection with the Agreement and use of Products and Services, (ii) to take reasonable measures to prevent disclosure of the Confidential Information to third parties, and (iii) not to disclose the Confidential Information to a competitor of Disclosing Party. Notwithstanding these restrictions, each party shall permit access to the other's Confidential Information only to its employees who: (i) reasonably require access to Confidential Information for purposes approved by this Agreement, and (ii) have undertaken a binding obligation of confidentiality with respect to the confidential information of others entrusted to him or her, and (iii) have been apprised of the confidentiality obligations hereunder. ABB may disclose Confidential Information to its affiliates and subcontractors in connection with performance of the purchase order. A Receiving Party may only disclose Confidential Information to any other third party with the prior written permission of Disclosing Party, and in each case, only so long as the Receiving Party obtains a non-disclosure commitment from any such third party that prohibits disclosure of the Confidential Information and provided further that the Receiving Party remains responsible for any unauthorized use or disclosure of the Confidential Information. Receiving Party shall upon request return to Disclosing Party or destroy all copies of Confidential Information except to the extent that a specific provision of the Agreement entitles Receiving Party to retain an item of Confidential Information. ABB may also retain one archive copy of Purchaser's Confidential Information.

(c) The obligations under this Article 25 shall not apply to any portion of the Confidential Information that: (i) is or becomes generally available to the public other than as a result of disclosure by Receiving Party, its representatives or its affiliates; (ii) is or becomes available to Receiving Party on a non-confidential basis from a source other than Disclosing Party when the source is not, to the best of Receiving Party's knowledge, subject to a confidentiality obligation to Disclosing Party; (iii) is independently developed by Receiving Party, its representatives or affiliates, without reference to the Confidential Information; (iv) is required to be disclosed by law or valid legal process provided that the Receiving Party intending to make disclosure in response to such requirements or process shall promptly notify the Disclosing Party in advance of such disclosure and reasonably cooperate in attempts to maintain the confidentiality of the Confidential Information.

(d) As to any individual item of Confidential Information, the restrictions under this Article 25 shall expire five (5) years after the date of disclosure. This Article 25 does not supersede any separate confidentiality or nondisclosure agreement signed by the parties.

27. Non-Survival.

The following Articles shall not survive termination or cancellation of this Agreement: 5, 7, 8, 17 and 18. All other Articles shall survive the termination or cancellation of the Agreement.

28. Entire Agreement.

This Agreement constitutes the entire agreement between ABB and Purchaser. There are no agreements, understandings, restrictions, warranties, or representations between ABB and Purchaser other than those set forth herein or herein provided. As stated in Article 1 of this Agreement, ABB's Proposal, Policies, Addendum(s), if any, submitted to Purchaser, shall control over any conflicting terms. ABB specifically rejects any exceptions to this Agreement, Proposals, Policies, and/or Addendum(s) on the face of any purchase order. Purchaser shall advise ABB in writing of all conflicts, errors, omissions, or discrepancies among the Proposal, Policies, Addendum(s) and this Agreement immediately upon discovery. This Agreement shall supersede any standard, preprinted terms and conditions that are automatically attached to purchase orders issued by Purchaser.

29. US Government Contracts.

This Article 28 applies only if the Agreement is for the direct or indirect sale, or is funded in whole or in part by, an agency of the U.S. federal government, or a state government, or any other U.S. government instrumentality or political subdivision (collectively "U.S. government entity").

Unless otherwise expressly stated and specifically agreed in ABB's Proposal:

(a) Purchaser agrees that:

(i) all Equipment, Software, and Services provided by ABB meet the definition of "commercial-off-the-shelf" ("COTS") or "commercial product" or "commercial service" or "commercial computer software" as those terms are defined in Federal Acquisition Regulation ("FAR") 2.101.

(ii) ABB technical data and computer software are developed at ABB's private expense and not in performance of the Agreement. ABB retains ownership and proprietary rights in all technical data and computer software provided to Purchaser under the Agreement and under a U.S. Government contract or subcontract. Neither the Purchaser, the U.S. Government nor any higher-tier contractor under a U.S. Government contract will obtain any rights in ABB technical data or computer software beyond the rights provided under ABB's standard commercial licenses consistent with FAR 12.211 and 12.212.

(iii) to the extent the Buy American Act (41 U.S.C. §§ 8301 – 8305, as amended), Trade Agreements Act (19 U.S.C. §§ 2501 – 2581, as amended), Build America, Buy America (Pub. L. 117-58, December 29, 2022, as amended) or other domestic preference requirements are applicable to this Agreement, the country of origin of Equipment or Software is unknown.

(iv) the version of any applicable FAR clause listed in this Article 28 shall be the one in effect on the effective date of this Agreement.

(b) If Purchaser is an agency of the U.S. Government, then as permitted by FAR 12.302, Purchaser agrees that:

(i) all paragraphs of FAR 52.212-4 (except those listed in 12.302(b)) are replaced with these Terms and Conditions.

(ii) only the clauses identified in FAR 52.212-5 apply and only to the extent applicable for sale of COTS and/or commercial products and/or commercial services and as appropriate for the purchase order price.

(iii) any Services offered by ABB are exempt from the Service Contract Act of 1965 (41 U.S.C. §§ 6701 – 6707, as amended).

(iv) all other U.S. Government agency contract provisions are rejected.

(c) If Purchaser is procuring as a contractor, or subcontractor at any tier, on behalf of an agency of a U.S. government entity, then Purchaser agrees that:

(i) only the clauses identified in FAR 52.212-5(e)(1) or 52.244-6(c)(1) (whichever is applicable) apply and only to the extent applicable for sale of COTS and/or commercial products and/or services and as appropriate for the purchase order price.

(ii) Purchaser shall notify ABB prior to transmitting any Controlled Unclassified Information ("CUI") to ABB, and only upon written authorization by ABB may Purchaser transmit CUI to ABB. Purchaser shall transmit CUI to ABB in accordance with applicable CUI safeguarding and/or dissemination authority requirements.

(iii) prevailing wage and related public works labor and employment laws or regulations are not applicable to ABB's services offered in the Proposal.

(iv) Purchaser is solely responsible for its obligations to its customer(s), including validating that ABB's Proposal fulfills Purchaser's U.S. Government contracting obligations, if any. To the extent the terms and conditions of Purchaser's customer contract(s) are different from the terms and conditions of this Agreement, Purchaser shall defend, indemnify and hold ABB harmless from and against all losses, liabilities, cost, expense (including attorney's fees and expenses of litigation and/or settlement), damages, allegations, claims, causes of action and judgments resulting from such difference. In no event will Purchaser withhold payment due to ABB for any dispute or liability incurred between Purchaser and its customer(s).

30. Data Protection.

(a) The parties agree that the protection of Personal Data is very important. If Purchaser discloses Personal Data to ABB, ABB shall comply with all applicable data protection laws and regulations. Purchaser shall comply with all applicable data protection laws and regulations in respect of any Personal Data it receives from ABB in the course of receiving the Equipment or Services.

(b) The parties agree that neither will withhold or delay its consent to any changes to this clause which are required to be made in order to comply with applicable data protection laws and regulations and/or with guidelines and order from any competent supervisory authority, and their application to the Equipment or Services from time to time, and agrees to implement any such changes at no additional cost to the other party.

(c) The parties acknowledge that the processing of Personal Data in accordance with this purchase order may require the conclusion of additional data processing agreements or additional data protection agreements. If and to the extent such additional data processing agreements or additional data protection agreements are not initially concluded as part of the purchase order, the parties shall, and shall ensure that their relevant affiliates or subcontractors shall, upon the other's request promptly enter into any such agreement with an affiliate, as designated by the other party and as required by mandatory law or a competent data protection or other competent authority.

Stateline Substation (2025)

		582 Electric	TOTAL PROJECT	
FY 2024-2025				Notes
BUDGETED FUNDS				
Stateline Substation		\$3,888,000.00	\$3,888,000.00	
TOTAL BUDGETED FUNDS		\$3,888,000.00	\$3,888,000.00	
PROJECT COSTS				
2-69kV 1200 Amp Breakers	Approved 7/10/24	\$ 184,814.00	\$ 184,814.00	Long lead time item
2-69kV Circuit Switchers	Approved 7/10/24	\$ 189,660.00	\$ 189,660.00	Long lead time item
5-69 kV Potential Transformers	Approved 7/10/24	\$ 34,500.00	\$ 34,500.00	Long lead time item
7-69kV VEE Switches	Approved 7/10/24	\$ 48,867.00	\$ 48,867.00	Long lead time item
Engineering	Approved 9/25/24	\$ 328,000.00	\$ 328,000.00	Verdantas (GRP); design, bid, contract admin, and start up
Breaker Purchase	Recommended 2/12/25	\$ 92,703.78	\$ 92,703.78	Long lead time item
Control Building Purchase	Recommended 2/12/25	\$ 546,800.00	\$ 546,800.00	Long Lead time item
TOTAL FY 2024-2025		\$ 967,503.78	\$ 967,503.78	
OVER (UNDER) BUDGET FY 2024-2025		\$ (2,920,496.22)		

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10F



OWNER CONTRACT CHANGE ORDER NO. 2
January 3, 2025

OWNER: **City of Sturgis**

PROJECT: **Michigan Avenue Pump Station Replacement (1001 Michigan Ave.)**

Project No.: **1235 | 867340**

City PO Number: **516750**

We are requesting your acceptance of the following adjustments to the Contract:

Description of Changes:

1. Pumping System and Control Package – Equipment Purchase Authorization

Procurement of Pumping System and Control Package from Kennedy Industries as attached. Purchasing the equipment prior to the project bidding and trade contracts being finalized will improve the overall delivery schedule of the equipment.

ADD: \$166,730.00

Attachments:

- Project Budget Tracking Summary – January 2025
- Kennedy Industries Quote dated 12/13/2024

CHANGE IN CONTRACT PRICE
Original Contract Price \$ 110,700.00
Net Increase from previously approved Change Orders No. 1 to 1 : \$ 5,800.00
Contract Price prior to this Change Order: \$ 116,500.00
Net Increase of this Change Order: \$ 166,730.00
Contract Price incorporating this Change Order: \$ 283,230.00

REQUESTED: **F&V Construction**

By: _____

DESIGN-BUILDER (Authorized Signature)

Title: _____

Date: _____

CHANGE IN CONTRACT TIMES
Original Contract Times: Substantial Completion: _____ Ready for Final Payment: _____
Net change from previous Change Orders No. 1 to No. 1 : Substantial Completion: _____ Ready for Final Payment: _____
Contract Times prior to this Change Order: Substantial Completion: _____ Ready for Final Payment: _____
Net Increase this Change Order: Substantial Completion: _____ Ready for Final Payment: _____
Contract Times with all approved Change Orders: Substantial Completion: _____ Ready for Final Payment: _____

ACCEPTED: **CITY OF STURGIS**

By: _____

OWNER (Authorized Signature)

Title: _____

Date: _____

Project Budget Tracking Summary - Owner Change Order No. 2 January 2025

Job Name: City of Sturgis Michigan Ave Pump Station
 Location: 1001 Michigan Ave, Sturgis, MI 49091
 Job Number: 1235 | 867340
 City PO Number: PO 516750
 Description: Reconstruction of the Michigan Ave Pump Station



<u>Trade Category</u>		<u>Subcontractor</u>	<u>Exhibit C Value</u>	Change Order <u>No. 1</u>	Change Order <u>No. 2</u>	Adj. Contract <u>Amount</u>
Contract	1	Site Work & Excavation	TBD	\$ -	\$ -	\$ -
Contract	2	Mechanical	TBD	\$ -	\$ -	\$ -
Contract	3	Painting	TBD	\$ -	\$ -	\$ -
Contract	4	Electrical, Instrumentation & Control	TBD	\$ -	\$ -	\$ -
System Integrator Allowance			\$ -	\$ -	\$ -	\$ -
Pumping System and Control Package			\$ -	\$ -	\$ 151,654.20	\$ 151,654.20
Total of Trades			\$ -	\$ -	\$ 151,654.20	\$ 151,654.20
General Conditions				\$ -	\$ -	\$ -
Sub Total			\$ -	\$ -	\$ 151,654.20	\$ 151,654.20
Design Builder's Fee			\$ -	\$ -	\$ 12,891.00	\$ 12,891.00
Sub Total			\$ -	\$ -	\$ 164,545.20	\$ 164,545.20
Design Phase Services			\$ 110,700.00	\$ 5,800.00	\$ 2,184.80	\$ 118,684.80
Construction Phase Services			\$ -	\$ -	\$ -	\$ -
Sub Total of Construction Cost			\$ 110,700.00	\$ 5,800.00	\$ 166,730.00	\$ 283,230.00
Design-Builder's Contingency			\$ -	\$ -	\$ -	\$ -
Total			\$ 110,700.00	\$ 5,800.00	\$ 166,730.00	\$ 283,230.00

QUOTATION		
DATE	NUMBER	PAGE
12/13/2024	0059909	1 of 2

B FLE200
I FLEIS & VANDENBRINK ENG
L 2960 LUCERNE DRIVE
T GRAND RAPIDS, MI 49503
O

Accepted By: _____

Date: _____

PO#: _____

Ship To: _____

ATTENTION:
COREY TURNER 616-965-8760 cturner@fveng.com

WE ARE PLEASED TO PROPOSE THE FOLLOWING FOR YOUR CONSIDERATION:

CUSTOMER REF/PO#	JOB TITLE	SLP	SHIPPING TYPE
QUOTE	CITY OF STURGIS, MICHIGAN AVE PS, FLYGT SUBMERSIBLE STATION, WASTE WATER	EMG/CEW	FREIGHT ALLOWED
QTY	DESCRIPTION		

(2) FLYGT EXPLOSION PROOF, SUBMERSIBLE SEWAGE PUMPS, MODEL NP3127.070-446 WITH HIGH CHROME IMPELLER AND INSERT RINGS. RATED FOR 162 GPM @ 31.1' TDH, 7.5 HP, 3 PHASE, 460 VOLT WITH 3" DISCHARGE AND 50 FT. MOTOR AND SENSOR CABLES. PUMPS EQUIPPED WITH SEAL FAIL/HIGH TEMP CABLES.

(2) GUIDE RAIL SYSTEMS WITH 3" DISCHARGE ELBOWS, STAINLESS STEEL GUIDE RAILS, UPPER BRACKETS, INTERMEDIATE BRACKET, LIFTING CHAIN, AND QUICK LINKS. (24.5' LENGTHS)

(1) 42"X57" ACCESS HATCH, H-20 RATED WITH SAFETY GRATING.

(1) 54"X60" ACCESS HATCH, H-20 RATED WITH SAFETY GRATING.

(2) 4" GATE VALVE WITH FLANGED END CONNECTION AND 2" NUT OPERATOR.

(1) 4" PLUG VALVE WITH FLANGED END CONNECTION AND 2" NUT AND LEVER OPERATOR.

(2) 4" SWING CHECK VALVE WITH FLANGED END CONNECTION AND LEVER/WEIGHT OPERATOR.

(2) PRESSURE GAUGE ASSEMBLY RATED FOR 0-30 PSI.

(1) INTRINSICALLY SAFE DUPLEX CONTROL PANEL IN NEMA 3R STEEL ENCLOSURE WITH ALUMINUM INNER DOOR. COMPLETE WITH ALLEN BRADLEY MICRO LOGIC PLC, ALLEN BRADLEY PANELVIEW HMI, MOTOR STARTERS, CIRCUIT BREAKERS, ALTERNATOR, TRANSFORMER, H-O-A SWITCHES, SEAL FAIL AND HIGH TEMPERATURE RELAYS, ELAPSED TIME METERS, PHASE MONITOR, SURGE ARRESTOR, RUN LIGHTS, PANEL HEATER AND ALARM LIGHT WITH HORN. PANEL INCLUDES 100 AMP MANUAL TRANSFER SWITCH IN NEMA 3R ENCLOSURE, MOUNTED TO REAR OF CONTROL PANEL, 100 AMP MELTRIC GENERATOR RECEPTACLE, AND KISM MONITORING.

(2) FLOAT SWITCHES WITH 50' CABLE AND STAINLESS STEEL SUPPORT BRACKET.

(1) VEGA C-21 RADAR LEVEL SENSOR.

(1) START-UP ASSISTANCE AND TRAINING.

NET PRICE INCLUDING FREIGHT, BUT NO TAXES: --- \$ 143,070.00 TOTAL

SALES TAX: --- \$ 8,584.20

QUOTATION		
DATE	NUMBER	PAGE
12/13/2024	0059909	2 of 2

QTY	DESCRIPTION
-----	-------------

ESTIMATED LEAD TIME FOR PROJECT SUBMITTALS: 6-8 WEEKS
ESTIMATED EQUIPMENT LEAD TIMES AFTER SUBMITTAL APPROVAL: 14-16 WEEKS

- NOTES
- 1) ITEMS QUOTED DO NOT MEET AIS OR BUY AMERICA REQUIREMENTS
 - 2) 1 MONTH OF KISM SERVICE INCLUDED IN THIS PROPOSAL
 - 3) CONFIRM PUMP AND INSTRUMENT CABLE LENGTH PRIOR TO ORDER

WE DO NOT INCLUDE:
INSTALLATION, OFF-LOADING, SITE WORK, CONCRETE, ANCHOR BOLTS, PIPING, CONDUIT, WIRING, MAIN DISCONNECT, ATS, GENERATOR, PADLOCKS, KEYS, WITNESS/CERTIFIED TESTING, SPARE PARTS, OR ANYTHING NOT LISTED ABOVE.

WE APPRECIATE THIS OPPORTUNITY TO QUOTE AND LOOK FORWARD TO BEING OF FUTURE SERVICE.

SINCERELY,
ERIC GRIFFITH / CONNER WEIDMAN

This quote is subject to and incorporates by reference Kennedy Industries, Inc.'s ("Kennedy") Terms & Conditions (Rev'd 6/2023) and Customer Warranty available at www.kennedyind.com which will be provided by email upon written request. Kennedy reserves the right to change the Terms & Conditions and Customer Warranty for future orders. By accepting this quote and/or issuing a purchase order relative to this quote, buyer expressly agrees to the provisions set forth in the Terms & Conditions and Customer Warranty posted on Kennedy's website.

QUOTE VALID FOR 30 DAYS. CREDIT CARD PAYMENTS ARE SUBJECT TO AN ADDITIONAL 3% CHARGE NO TAXES OF ANY KIND ARE INCLUDED IN THIS PROPOSAL. PAYMENT TERMS: NET 30

Michigan Street Lift Station (2025)

		590 Wastewater	TOTAL PROJECT	
Prior FY Costs				Notes
PROJECT COSTS				
Design Phase Work	Approved 7/10/2024	\$ 110,700.00	\$ 110,700.00	F&V Construction (FVC) - Design Build Contract (Phase I)
TOTAL FY 2023-2024		\$ 110,700.00	\$ 110,700.00	
FY 2024-2025				Notes
BUDGETED FUNDS				
Michigan St. Liftstation Improvements		\$1,500,000.00	\$1,500,000.00	
TOTAL BUDGETED FUNDS		\$1,500,000.00	\$1,500,000.00	
PROJECT COSTS				
Change Order #1 - Add. Design Information	Staff Approved October 2024	\$ 5,800.00	\$ 5,800.00	Additional survey, soil borings , and topographic work
Change Order #2 - Lift Station Pump	Recommended 2/12/25	\$ 166,730.00	\$ 166,730.00	Long lead time items - Pump and controls from Kennedy
TOTAL FY 2024-2025		\$ 172,530.00	\$ 172,530.00	
OVER (UNDER) BUDGET FY 2024-2025		\$ (1,327,470.00)		

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10G



361 12th Street
Plainwell, MI 49080
(269) 685-9557

Invoice #

☐ INVOICE

TERMS: This quote is Valid till March 31,2025

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Home > Exmark Advantage > Features > Decks

- UltraCut and Flex Wing Mower Decks



CUTTING SYSTEMS: FLEX WING AND ULTRACUT MOWER DECKS



ULTRACUT FLEX WING MOWER DECKS

 Ask Exmark

Productivity equals profitability for landscape maintenance professionals, so it's no surprise that bigger really is better. Building on the runaway success of the 96-inch UltraCut Flex Wing cutting deck, we've once again raised the productivity bar with the awesome new 144-inch UltraCut Flex Wing cutting deck, available on the Lazer Z Diesel. All UltraCut Flex Wing cutting decks are engineered to not just be more productive, but also deliver the durability and signature cut quality Exmark owners expect.



WHY CHOOSE A WIDER DECK?

For landscape professionals, increased productivity is the number one reason for choosing a larger cutting deck. That said, every landscape pro knows it is cut quality that brings customers back, so balance is necessary.

Based on customer feedback, Exmark has designed UltraCut Flex Wing cutting decks to excel in four key areas:

- Productivity – increased cut width and mower speed maximize the productivity of each worker.

- Cut Quality – the articulating Flex Wing cutting decks precisely follow ground contour.
- Reduced Maintenance – sealed, zero-maintenance spindles and reduced grease points offer extended service intervals to minimize in-season maintenance needs.
- Commercial Durability – the PTO-driven cutting deck, heavy duty drive system and cutting-edge commercial engines deliver maximum long-term durability and value.



IMPROVED PRODUCTIVITY

When compared to a 72-inch mower, UltraCut Flex Wing cutting decks have up to twice the cutting width. This significantly decreases the time it takes to finish jobs. In fact, users report that one **144-inch Lazer Z Diesel zero-turn mower** can replace up to three 72-inch mowers, mowing the same area with two fewer mowers and operators.

A Lazer Z Diesel mower equipped with a 144-inch UltraCut Flex Wing cutting deck can mow up to 11.5 acres per hour. When equipped with a 96-inch UltraCut Flex

Wing deck, the Lazer Z Diesel can mow up to 9.5 acres per hour. The gas-powered **96-inch Lazer Z X-Series zero-turn mower** is capable of mowing up to 8.5 acres per hour. The combination of increased cutting widths and robust commercial power plants makes these the most productive mowers Exmark has ever built.



CUT QUALITY

The bat wing-style UltraCut Flex Wing cutting decks feature a 48-inch center deck with two wing decks. On 144-inch models, the wing decks are each 48-inches wide, while the wing decks on 96-inch models are 24-inches wide. When combined with Exmark's rear-discharge deck design, the UltraCut Flex Wing decks deliver a signature cut quality in less time than ever.

Capable of articulating up to 20-degrees up and 15-degrees down to precisely follow ground contour, the wing decks fold hydraulically to minimize trailering space. Cut height is hydraulically adjustable, from 1.0 to 5.5-inches in quarter-inch increments.



REDUCED MAINTENANCE

Like all Exmark products, the UltraCut Flex Wing cutting decks are engineered to reduce maintenance and associated downtime. The design uses standardized blades – the same as a 72-inch UltraCut cutting deck – to ease blade sourcing and replacement.

Exmark's sealed bearing blade spindles are designed to last the life of the machine with zero maintenance, and with just three in-season grease points, UltraCut Flex Wing cutting decks maximize in-season uptime. Plus, the floor pan and belt covers require no tools to remove, enabling easy access to the PTO, belts, and gearbox.

COMMERCIAL DURABILITY

Fully fabricated and seam welded from 7-gauge high-strength alloy steel, UltraCut Flex Wing cutting decks are built to thrive in the most challenging mowing conditions. The PTO-drive system uses a wet clutch system integrated into the mower transmission to increase load capacity and overall durability of the deck drive.

Zero-maintenance sealed blade spindles use large 7.75-inch cutter housings and 25mm (.98-inch) diameter spindle shafts with splined blade drivers for unmatched long-term durability, efficiency, and smooth operation.

IS AN ULTRACUT FLEX WING CUTTING DECK RIGHT FOR ME?

If you're a landscape professional that maintains large commercial or public properties, or a municipality or government agency responsible for maintaining a wide range of open spaces, it's worth learning more about the advantages an UltraCut Flex Wing-equipped Lazer Z can deliver. It will raise your bar for zero-turn mower productivity and help you do more, and earn more, every day. Contact your local [Exmark dealer](#) to arrange a demo.

ULTRACUT MOWER DECKS



At Exmark, we're constantly working to perfect our cutting decks because it doesn't matter how much experience you have, if the cut doesn't look good, your business is done. We've left no stone unturned in the quest for the ultimate cut quality. Flow-control baffles accelerate airflow under the deck, so clippings move easily and discharge evenly. We've optimized blade-tip speed to deliver uniform clipping discharge distance and uniformity. Our [rear discharge zero-turn mowers](#) offer enhanced clipping control, with the ability to trim on both sides of the deck. And our new UltraCut Flex Wing cutting decks - available in 96-inch and 144-inch on [Lazer Z zero-turn mowers](#) – enable you to mow up to 11.5 acres per hour without compromising cut quality or appearance.

144" ULTRACUT FLEX WING DECK

STANDARD ON 144" LAZER Z MODELS.

- 5.5" deck depth. 8-point suspension. Full-floating.

 Ask Exmark

- No maintenance, sealed spindles. 7Zero-maintenance sealed spindles. 7.75-inch diameter cutter housings with 25mm (.98-inch) diameter spindle shafts and splined blade drivers. Maintenance free double-row ball bearings.
- • Six matching blades – same part number as 72-inch UltraCut cutting decks.
- Patented spherical bearing design on idler arms requires only annual greasing.
- Coned anti-scalp rollers feature a through-axle design for maximum durability.
- Wings flex 20-degrees up and 15-degrees down.
- Wings fold hydraulically for easy transport and trailering. 83-inch width (with wings folded) fits between the wheel wells of many industry-standard trailers.



96" ULTRACUT FLEX WING DECK



ULTRACUT SERIES 6 DECK



ULTRACUT REAR DISCHARGE DECK



ULTRACUT SERIES 4 DECK



ULTRACUT SERIES 3 DECK



ULTRACUT SERIES 2 DECK

Specifications

Engine Manufacturer	Yanmar 3TNV86CT
Displacement	1568 cc
Emissions	Series: TNV
Rated Engine Speed	3,000 RPM
Air Filter	Heavy-duty canister air filtration system with electronic vacuum sensor
Engine Power	43.5 HP
Fuel Type	Diesel
Fuel System	Electronically Governed IDI Turbo Diesel Indicator: Mechanical float type
PTO Type	Engagement: Integrated wet clutch system in transmission, connected to right angle gearbox on deck via drive shaft
Drivetrain	Hydro-Drive Description: Kanzaki KPS-18T Transmission, 16-quart oil capacity, spin-on filter. 18 cc shoe type pumps and 17.84 cubic inch Hydro-Gear HGM-H motors, hydraulic oil cooler.
Steering	Control: Hydraulically dampened twin levers, adjust fore and aft., also adjustable to 2 height positions. Adjustable dampeners (3 positions) to customize drive responsiveness.
Parking Brake	Lever-actuated internal wet disc brake.
Tires, Front Specification	26x12-12, 6ply Multi Trac® Caster: 15 x 6.0-6, smooth-tread, semi-pneumatic.
Tires, Rear Specification	26x12-12, 6ply Multi Trac®
Electrical	12-volt battery with 55-amp alternator.
Operating Speed	Forward: 0–11.0 mph (18 kmph) Reverse: 0–6 mph (10 kmph)
Top Speed	Blade: Approximately 17,900 fpm
Frame Type	Tractor: Welded, heavy-duty 1.5" x 3" x 3/16" tubular steel.
Safety Features	Package: Operator Presence Controls (OPC) and drive system interlock, with safety interlock system indicators.
Spindle Diameter	Cutter Housing: 7.75" Shaft: 25mm (.98")
Dimensions	Casters: .50"
Cutting Width	Deck: 144"
Width	144.9 in. (368cm), 84 in. (213cm) @ 3 in. HOC when folded

Length	Blades: 6 Blades at 24.50" 101.3 in. (257.3 cm)
Height	Cutting: 1.0" (2.5 cm) to 5.5" (11.8 cm) in 0.25" (0.64 cm) increments 72.6 in. (184.3 cm)
Fuel Capacity	12-gallon (45.4-L)
Weight	Curb: 3250
Seat Type	Deluxe, two-tone, bolstered suspension seat with Elastomeric Vibration Control material. Mounted on innovative Seat Isolation System that provides operator isolation in all three planes of motion as well as fore-aft slide and seat flip-up.
Construction Material, Deck	Style: Floating Deck Style Description: Full-floating UltraCut Rear Discharge Deck. Rear-discharge standard with option to mulch. 7-gauge high strength alloy top that is formed and continuously seam welded, with 7-gauge high strength alloy side skirt.

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10H

City of Sturgis - Non-Leased Replacements

Old Vehicles											
Vehicle #	Vehicle ID	Dept.	Use	Year	Make	Model	Mileage	Annual Miles	Est Mileage - June 2025	Est 12 Month Market Value	
27BCCB	705-14	Fire	Training	2014	Dodge	Charger	130,268	13,113	143,381	\$ 1,500.00	
27BCC7	700-18	Fire	Deputy Director	2018	Dodge	Durango	116,930	81,956	198,886	\$ 3,000.00	
27BCCC	3035-17	Police	Detective	2017	Dodge	Durango	105,403	12,020	117,423	\$ 5,500.00	
27BCC9	3014-18	Police	Detective	2018	Dodge	Durango	79,374	8,742	88,116	\$ 6,000.00	
27BCCK	3911-19	Police	SRO	2019	Dodge	Durango	82,795	56,458	139,253	\$ 7,500.00	
27BCD3	3026-20	Police/Fire	Director Vehicle	2020	RAM	1500	42,785	9,470	52,255	\$ 20,375.00	
27BCC5	202-20	Electric	GIS	2020	Jeep	Cherokee	13,036	4,006	17,042	\$ 16,063.00	
27BCDK	802-06	Electric	Diesel	2006	GMC	Sierra 2500HD	111,669	1,821	113,490	\$ 2,205.00	
27BCCT	501-18	Electric	Diesel	2018	RAM	2500	28,189	6,556	34,745	\$ 15,920.00	
27BCCR	702-20	Building	Director Vehicle	2020	RAM	1500 Classic	3,968	0	3,968	\$ 18,763.00	
27BCCS	902-20	Facility	Manager	2020	RAM	1500 Classic	11,970	3,642	15,612	\$ 18,338.00	
27BCCW	605-08	Doyle	Department	2008	GMC	Canyon	51,137	2,914	54,051	\$ 1,898.00	
27BCD4	3242-09	Police	Animal Control	2009	Chevy	Colorado	48,931	2,185	51,116	\$ 1,995.00	
27BCD9	601-16	DPS	Service Truck	2016	Chevy	Silverado 2500HD	34,646	4,006	38,652	\$ 14,490.00	
27BCCM	144-16	Parks/Cemetery	Supervisor	2016	RAM	2500	29,515	3,278	32,793	\$ 13,620.00	

*Estimated Market Values are Based on Current Market Conditions, Estimated Mileage, & Sight Unseen. Estimated Values do Not Include Sales Fees.

New Vehicles											
Year	Make	Model	Color	Est. Delivery Month	Aftermarket	Payment**	\$ Down (Aftermarket)	Annual Payment**	Quote #	Employee	Comments
2025	Chevy	TrailBlazer	White	TBD		\$ 456.55	\$ -	\$ 5,478.60	8194607	Ryan	
2025	Ford	Explorer Base	Iconic Silver Metallic	TBD		\$ 753.85	\$ -	\$ 9,046.20	8277707	Ryan	
2025	Chevy	Traverse	White	TBD		\$ 733.22	\$ -	\$ 8,798.64	8278304	Ryan	
2025	Chevy	Traverse	Black	TBD		\$ 733.22	\$ -	\$ 8,798.64	8278287	Ryan	
2025	Ford	Police Utility Interceptor	Agate Black	TBD		\$ 1,093.79	\$ -	\$ 13,125.48	8289167	Ryan	
2025	Chevy	Silverado 2500HD Work Truck 4x4 Crew Cab 6.75 ft.	Gray	TBD		\$936.80	\$ -	\$ 11,241.60	8295517	Ryan	
2025	Ford	Explorer Base	Iconic Silver Metallic	TBD		\$ 753.85	\$ -	\$ 9,046.20	8382515	Tyler	
2025	Chevy	Silverado 2500HD Work Truck 4x4 Double Cab 6.75 ft. box 149 in. WB	White	TBD		\$ 1,025.19	\$ 2,305.13	\$ 14,607.41	8308994	Tyler	AME added for plow
2025	Chevy	Chevrolet Silverado 2500HD Work Truck 4x4 Crew Cab 6.75 ft. box 159 in. WB	White	TBD		\$ 921.77	\$ -	\$ 11,061.24	8308982	Tyler	
2025	Ford	Ford Maverick XLT All-Wheel Drive SuperCrew 4.5 ft. box 121.1 in	Oxford White	TBD		\$ 571.03	\$ -	\$ 6,852.36	8308971	Tom	Maverick -similar to 7986850
2025	RAM	RAM 1500 Tradesman 4x4 Quad Cab 140.5 in. WB	White	TBD		\$ 800.03	\$ -	\$ 9,600.36	8304488	Tom	
2025	Ford	Ford Maverick XLT All-Wheel Drive SuperCrew 4.5 ft. box 121.1 in	Oxford White	TBD		\$ 571.03	\$ -	\$ 6,852.36	8382521	Tom	Maverick -similar to 7986850. New quote # 8382521
2025	Chevy	Chevrolet Silverado 1500 Work Truck 4x4 Regular Cab 6.6 ft. box 126.5 in. WB	Black	TBD		\$ 730.03	\$ -	\$ 8,760.36	8194603	Ryan	
2025	Ford	Ford F-250 XL 4x4 SD Crew Cab 6.75 ft. box 160 in. WB SRW	Race Red	TBD		\$ 1,003.21	\$ -	\$ 12,038.52	8456310	Tom	
2025	Ford	Ford F-250 XL 4x4 SD Super Cab 8 ft. box 164 in. WB SRW	Carbonized Gray Metallic	TBD		\$ 942.31	\$ -	\$ 11,307.72	8531795	Tom	

Annual Vehicle Cost - 2024 Additions:	\$ 146,615.69
2024 Carry Over Leases x 8:	\$ 75,648.72
LESS - Projected Resale Dollars:	\$ 147,167.00
Total Budget Needed:	\$ 75,097.41

**City of Sturgis
City Commission
Regular Meeting**

Agenda Item 10H

Amendment #1
Between
MEAD & HUNT, INC.
and
CITY of STURGIS

ALP Update
At the
Kirsch Municipal Airport
Sturgis, Michigan

Mead & Hunt Project No.: 4641700-231172.02

Original Agreement Dated: August 21, 2024
Original Description: IRS-ALP Update-Preliminary Phase

Purpose of Amendment

The original Agreement dated August 21, 2024, was entered to collect preliminary data to undertake an Airport Layout Plan (ALP) Update study for the Kirsch Municipal Airport (IRS or Airport). The purpose of this amendment is to utilize that data to continue efforts to update the ALP for the Airport. The ALP has become outdated and requires updates to address planned developments as well as for compliance with the new FAA Standard Operating Procedure (SOPs) documents for ALPs and Exhibit 'A' Property Maps.

Scope of Services

This Scope of Services covers the planning services and tasks associated with the preparation of an ALP update. Specific documents that will be used as resources to undertake this study will include:

- FAA Advisory Circular (AC) 150/5300-13B – *Airport Design*
- ALP - FAA SOP 2.0 *Standard Operating Procedure for FAA Review and Approval of Airport Layout Plans (ALPs)*
- Exhibit 'A' Property Plan - FAA SOP 3.0 *Standard Operating Procedure for FAA Review of Exhibit 'A' Airport Property Inventory Maps*
- Aerial photogrammetry and FAA Airport Airspace Analysis Survey for all surfaces defined in FAA AC 150/5300 - 18B, *General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Field Data Collection and Geographic Information System (GIS) Standards*, Section 2.7.1.1, "Runways with Vertical Guidance." This is inclusive of 2.7.1.1.1 through 2.7.1.1.7.

Please see Exhibit E for a detailed scope of services. Please note, the data collection flight noted in Task 3.4 was previously authorized in the original agreement and is not included as a part of this amendment.

Compensation

Based on the attached Scope of Services and this Amendment the original project (Preliminary Data) amount of Fifteen Thousand and 00/100 Dollars (\$15,000.00) will be increased by Three Hundred Eleven Thousand Two Hundred Eighty-Five and 66/100 Dollars (\$311,285.66). The revised total project amount is Three Hundred Twenty-Six Thousand Two Hundred Eighty-Five and 66/100 Dollars (\$326,285.66) A detailed breakdown of these costs is included in Attachment A.

Preliminary Data:	\$15,000.00
<u>Amendment:</u>	<u>\$311,285.66</u>
Total Project:	\$326,285.66

Schedule

The assumption for this schedule is a total of approximately 18 months from Notice to Proceed (NTP) to development of the draft ALP set that is ready for submittal to MDOT AERO for review. This schedule is heavily predicated on the collection of the aerial photogrammetry and mapping being collected during 2023. Should this shift to the summer of 2024, the schedule will need to extend accordingly, up to an additional nine months to account for the timing required to obtain the aerals and base mapping information. Tasks that are not dependent upon receipt of the mapping will proceed immediately after receipt of the NTP, as appropriate, such as general data collection, airport user surveys and property boundary surveys.

Timing for both MDOT AERO and FAA are outside of the scope of the 18 months for consultant services. Individual meeting and task associated timing are discussed previously by task.

All other terms and conditions of the original base agreement shall remain in full force and effect.

This amendment and its conditions along with the conditions and requirements of the original agreement are hereby accepted by both parties as witnessed by these signatures:

WITNESS:

CITY of STURGIS

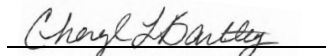
By: _____

Name: _____

Title: _____

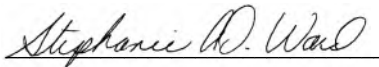
Date: _____

WITNESS:



Cheryl L. Bartley

MEAD & HUNT, INC.

By: 

Name: Stephanie A.D. Ward

Title: Vice President

Date: January 27, 2025

Exhibit E

Kirsch Municipal Airport Airport Layout Plan Update Scope of Services

June 1, 2023

To establish a solid plan for future growth and development, the City of Sturgis, (Sponsor), owners and operators of the Kirsch Municipal Airport (IRS or Airport), along with the Federal Aviation Administration Detroit Airports District Office (FAA-ADO) and the Michigan Department of Transportation Office of Aeronautics (MDOT AERO) have elected to undertake an Airport Layout Plan (ALP) Update study for the Airport. The ALP has become outdated and requires updates to address planned developments as well as for compliance with the new FAA Standard Operating Procedure (SOPs) documents for ALPs and Exhibit 'A' Property Maps.

This study will address areas of interest that have a bearing on the management and development of the Airport in the future. Mead & Hunt (Consultant) was selected to provide airport planning and engineering services to the Sponsor. Consultant has teammates that will support this work effort. These teammates include:

- Stephenson Land Survey (Exhibit 'A' Property Map boundary survey)
- NV5 Geospatial (Topographic mapping, aerials, and LIDAR)
- Commonwealth Associates, Inc. (title search)

This Scope of Services covers the planning services and tasks associated with the preparation of an ALP update. Specific documents that will be used as resources to undertake this study will include:

- FAA Advisory Circular (AC) 150/5300-13B – *Airport Design*
- ALP - FAA SOP 2.0 *Standard Operating Procedure for FAA Review and Approval of Airport Layout Plans (ALPs)*
- Exhibit 'A' Property Plan - FAA SOP 3.0 *Standard Operating Procedure for FAA Review of Exhibit 'A' Airport Property Inventory Maps*
- Aerial photogrammetry and FAA Airport Airspace Analysis Survey for all surfaces defined in FAA AC 150/5300 - 18B, *General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Field Data Collection and Geographic Information System (GIS) Standards*, Section 2.7.1.1, "Runways with Vertical Guidance." This is inclusive of 2.7.1.1.1 through 2.7.1.1.7.

This Scope of Services assumes funding will be provided in a single grant and will be under contract by August 1, 2023, to support collection of aerial photogrammetry and topographic mapping during the Summer of 2023. Should the grant be delayed, and the aerial photogrammetry and topographic mapping be delayed, the entire project schedule will likely need to extend approximately 9 months to allow for data collection in the early summer of 2024.

Project Scope Elements

The following sections describe the project scope elements for this planning effort:

1. Project Management, Coordination, Communication
2. Meetings and Public Outreach
3. Data Collection, Inventory, Aerial Mapping and AGIS
4. Projections of Aviation Demand
5. Facility Requirements Analysis
6. Geometric Review
7. Alternatives Analysis
8. Environmental Overview and Land Use Plan
9. Airport Layout Plan and Exhibit 'A' Property Map

Task 1 - Project Management, Coordination, and Communication

Project management tasks will continue throughout all aspects of the agreed-upon project schedule.

1.1 Study Design

The study design includes development of a comprehensive scope of services, definition of effort necessary to accomplish the work scope, and preparation of realistic work effort and cost budgets. The study design also organizes the project planning team, which includes Consultant, its sub-consultants, and Sponsor, to clearly define the participant roles and responsibilities to effectively execute the necessary study efforts. Specialty sub-consultants and their scopes of work will be identified and included in the process.

Coordination with the MDOT AERO for review and providing documents necessary for the independent fee review (IFE) will also be part of this task. These documents will form the basis of the agreement to provide professional services, including prime and subcontract agreements.

Deliverables: Draft and final scope of services, project schedule, an agreed-upon project planning budget, and an agreement for the proposed planning work. The scope of services, the schedule, and the budget will all be detailed by study element.

1.2 Project Management

This effort includes communicating among the project team to track study progress and managing performance of the various technical work tasks among the project team. Project management duties will include:

- Developing and documenting the project plan
- Organizing the project team
- Executing project activities
- Monitoring and controlling the project to achieve results
- Managing/mitigating risks and solving challenges

- Invoicing and monitoring project budget
- Closing out the project.

Deliverables: Invoices and electronic status reports, anticipated to be brief emails, will be provided.

1.3 Sponsor Coordination

Regular project status briefings will be held monthly throughout the study process. Briefings will take place via telephone between the Airport representative and Consultant's Project Manager and Deputy Project Manager. Briefings will include status reports, upcoming meetings, upcoming work effort, and discussion of challenges that may affect the schedule, process, or budget. The anticipated Points of Contact (POC) for this project are:

Airport Primary Point of Contact

Andrew Kuk, Interim City Manager
269-659-7234
akuk@sturgis.gov

Consultant Point of Contact

Stephanie Ward
517-908-3121
stephanie.ward@meadhunt.com

Task 2 Meetings and Public Outreach

The public information and outreach process includes informational workshops or presentations, committee meetings, and other techniques as described in more detail below.

2.1 Airport Advisory Committee

The Consultant believes that coordinating with the Airport and working with a Airport Advisory Committee (AAC) will help assess the Airport issues and be a vital part of the overall project. Interaction with the Airport staff and the AAC will be essential for the review and assessment of project information. MDOT AERO planning staff Jenn Moore will be invited to attend the AAC meetings to provide continuity between MDOT AERO, IRS, and the Consultant Team.

Two (2) meetings of the AAC will be held, over the course of the project, to provide interaction among the Airport staff, AAC members and the Consultant team. These meetings will be scheduled to coincide with critical decision points in the process and be used to solicit information and responses from the Airport staff and AAC members regarding information presented by the Consultant team.

Consultant will be responsible for preparing necessary agendas, graphics, and handouts. Presentation materials will be provided to airport staff for review prior to the meetings. The Airport is responsible for invitations and for securing an appropriate location in which to conduct the meetings. Consultant will typically have three attendees at these meetings, the project manager, an airport planner, and an airport engineer, to discuss and present materials, lead discussions, and take notes.

Assumptions: Up to two (2) meetings will take place. Consultant staff will travel from their Lansing office to IRS for the meetings (4 hours total for travel time, per meeting). Each meeting is assumed to be two (2) hours in length and require up to eight hours (8) of prep/post meeting efforts for agenda and presentation prep and meeting minutes/notes.

Deliverables: Consultant will provide PowerPoint presentations, boards, handouts, and additional materials, as necessary, for each meeting to convey the information being presented. A summary of each meeting will be provided after the conclusion of the meeting for project records.

2.2 Sturgis City Council Meeting

The project manager and one additional Consultant Team member will attend a meeting of the Sturgis City Council to provide a project briefing. This briefing will be on the ALP Update progress and results. For budgeting purposes, it is assumed that these meetings will be held in-person in Sturgis, outside of other scheduled meetings. The timing, content, and format will be decided upon by the Airport staff and Consultant.

Assumptions: Two (2) Consultant staff will attend a Sturgis City Council meeting, which will be held in-person. The meeting is assumed to be two (2) hours long per meeting and require up to eight (8) hours of prep/post meeting efforts for agenda and presentation prep and meeting minutes/notes per meeting. Travel time is estimated at four (4) hours total per meeting for both staff members.

Deliverables: Consultant will provide PowerPoint presentations, boards, handouts, and additional materials, as necessary, for each meeting to convey the information being presented. A summary of each meeting will be provided after the conclusion of the meeting for project records.

2.3 Miscellaneous Meetings

There may be a need to conduct/participate in additional meetings beyond those noted above. This task will provide for up to 20 hours of time, budgeted under the Senior Project Planner category, to support these additional meetings, if necessary. This may also cover additional attendance at meetings listed in Tasks 2.1 – 2.3 for Consultant Staff, if necessary.

Task 3 Data Collection, Inventory, Aerial Mapping and Airport Geographic Information System (AGIS)

Data collection and analysis will include the following:

Task 3.1 Review of Historic Information

Consultant will identify and review existing airport planning documents to assist in developing a comprehensive base of information to be used in the planning process. The Airport shall provide Consultant with copies of any existing electronic files that may be of assistance in developing the ALP update, as well as reports or studies that contain information related to the planning topics identified within this scope. These may include documents such as, but not limited to, the following:

- Current and previous master plans
- Recent National Environmental Policy Act (NEPA) documents
- Permit and compliance documents
 - Stormwater, spill prevention and control, hazardous materials management, etc.
- Pavement condition reports and ratings (Pavement Condition Index (PCI)/ Pavement Classification Number (PCN) from the airports Pavement Maintenance Management Program (PMMP)
- Current zoning maps and land use plans.

Deliverables: Consultant shall use the collected data resource information for the various work tasks. No specific deliverable will result.

3.2 Historical Levels and Trends of Aviation Demand

Consultant will collect the following data needed to develop the critical forecasts of aviation demand:

- Aircraft activity, including charter, air cargo, military and general aviation operations, fleet mix, and peaking characteristics
- Aircraft operational data from the FAA's ASDI/Instrument Flight Rules (IFR) flight plan databases, operations by equipment type
- General aviation based aircraft
- Air Cargo operations and tonnage.

Deliverables: No specific deliverable will result.

3.3 Existing Facilities Review

The current ALP, site inspections, and as-built facility plans will serve as the basis for the inventory information. Items to be reviewed include:

- Runways and taxiways
- Apron and ramp areas

- Air cargo facilities
- Corporate aviation facilities
- Airport access roads
- Maintenance facilities
- Hangars
- Fuel facilities
- Existing and proposed uses of Airport property
- Airfield lighting
- Landing aids and instrumentation
- Wind data (new data to be acquired)
- Runway protection zones and obstructions.

Deliverables: No specific deliverable will result.

3.4 Airport Information Data Portal (ADIP) Data Collection and Aerial Mapping

The collection of information that will support approach obstruction identification and the creation of the ALP set will come from two separate mapping efforts. The mapping efforts include the traditional aerial photography and digital mapping, which will be provided by a subconsultant (NV5 Geospatial). This task will include an ortho-rectified photo, digital mapping, and obstruction analysis. The purpose of the overall project is to accomplish FAA Airport Airspace Analysis Survey for all surfaces defined in FAA AC 150/5300-18B, Section 2.7.1.1, "Runways with Vertical Guidance." This is inclusive of 2.7.1.1.1 through 2.7.1.1.7.

Exhibit 1 summarizes the specific features to be obtained as part of this task. Specifics for this task are included in **Exhibit E2** and **Exhibit E3**.

NV5 Geospatial will prepare field survey, remote sensing/photogrammetry, and FAA ADIP uploads, formerly the FAA Airports-GIS. The scope of work that NV5 Geospatial will perform is detailed in their Scope and Fee proposals contained as Exhibits (E1, E2, and E3) to this scope and includes the following services:

- Project initiation and coordination
- Geodetic control validation
- Aerial imagery acquisition
- Geo-reference the imagery
- Create digital ortho imagery
- Runway field survey in accordance with FAA AC 150/5300-18B
- Navigational Aid (NAVAID) field survey
- FAA Airports-GIS Airport Airspace Analysis
- Part 77 obstruction analysis
- Collect ALP mapping data
- NSSDA map accuracy check
- Hard copy aerial photo prints
- Project close-out and final reporting.

Consultant will manage and coordinate with NV5 Geospatial on their efforts; however, NV5 Geospatial will manage the ADIP program plans and workflow in accordance with FAA ACs 150/5300-16, -17, and -18 (current editions). Since the FAA eALP tool is not functional at the time of this contract execution, no deliverables related to an eALP will be provided.

The Consultant will assess, by runway end, the obstruction information obtained from the approach evaluation to provide IRS with a summary of obstructions and a proposed mitigation plan, using the topographic mapping data.

Deliverables: Summary of obstructions and proposed mitigation plan.

3.5 Airport User Surveys

To support the forecasting effort and identification of critical aircraft to be conducted in Task 4, user surveys will be undertaken to collect information on the amount of use that current tenants and itinerant users have at IRS. The survey is expected to be distributed both in hard copy format, by mail and at the Airport, as well as electronically. It will be approximately two-pages long with a cover letter. The hard copies will require mailing along with a business reply envelope, should participants choose to mail the survey back. Not more than 75 surveys are expected to be generated and distributed.

Assumptions: Distribution of not more than 50 surveys via mail, with an additional 25 surveys left for distribution at the Airport.

Deliverables: Surveys (cover letter, survey, business reply envelope and mailing envelope) will be developed, along with a display box for distribution and collection at the airport. A summary of the findings will be provided to be utilized in Task 4.

Task 4 Projections of Aviation Demand

Development of projections of aviation demand is a key element to planning for current and future Airport needs, in assessing the environmental effects of proposed actions, and determining the economic implications of future growth and development.

Task 4.1 Review of Forecasts

Consultant will review the current FAA Terminal Area Forecast (TAF) numbers along with the use of forecasts generated in the recent *Michigan Aviation System Plan* (MASP 2017). The Task 3.5 User Survey results together with FAA Traffic Flow Management System Count (TFMSC) data will be used to develop an assessment of anticipated operations by various aircraft design categories to support the assessment of airfield infrastructure. Information generated from past justification studies will be utilized, along with conversations/interviews with existing and anticipated users, emphasizing the activity generated by the Fixed Base Operators (FBOs) on the field.

Task 4.2 IRS Review of Forecasts

Consultant will develop the forecast working paper and submit to IRS POC for review and comment. Once Consultant receives and addresses comments, the draft document will be submitted to MDOT AERO for review.

Task 4.3 MDOT AERO Review and Edits

Edits from the MDOT AERO are anticipated, consequently revisions to address their comments will likely be necessary, and then Consultant will submit a final draft for approval. Once approved, these forecasts will be included in the ALP Narrative Report and guide the development of the ALP requirements since the critical aircraft determination will be completed.

Deliverables: A working paper that summarizes the forecasts of operations, focused on overall operations and those associated with the critical aircraft, and determination of the critical aircraft will be developed.

Task 5 Facility Requirements Analysis

Consultant will identify the required facilities by comparing the inventory to projections of aviation demand. Anticipated timing or activity levels that require facility improvements will also be identified. FAA ACs referenced as part of this task will include, but not be limited to: AC 150/5300-13B, *Airport Design*; AC 150/5060-5, *Airport Capacity and Delay*; AC 150/5070-6B, *Airport Master Plans*; and FAR Part 77, *Objects and Activities Affecting Navigable Airspace*.

Consultant will review the facility needs based on projected future activity and the Airport's role in the local, regional, and national aviation and economic system. Future requirements will provide the basis for evaluating alternative development actions. The facility requirements analysis will focus on several specific issues that are most important to the Airport's future growth and development. The objective will be that the Airport's functional aviation areas have long-term flexibility and growth potential to respond to changing demand scenarios. Facilities to be analyzed include:

- Airside Pavements
- Lighting and NAVAIDs
- Landside (Parking, Access, and Circulation)
- Facilities (FBO, fuel, hangars).

The resulting summary will require concurrence by Airport Staff on the findings prior to moving forward, since many subsequent tasks are driven by the findings.

Deliverables: Summary of the facility requirements for review by Airport staff that will be incorporated into the narrative report.

Task 6 Alternatives Analysis

The Consultant will develop and document feasible alternatives for facility development based on the results of the previous tasks. Each alternative will be graphically illustrated, as appropriate, and presented to the Airport and PAC for review. These alternatives will account for long-term development while planning for near-term implementation.

Consultant will base the alternatives on results of the activity projections, the capacity analysis, and facility requirements determination. Once reasonable alternatives have been identified, their merits and deficiencies will be compared including these factors:

- Operational Factors – evaluation of each alternative to determine its ability to accommodate future demand for aircraft, passengers, and vehicles. This will identify deficiencies in such areas as safety, FAA design standards, aircraft delay, airfield circulation, and convenience.
- Economic Factors – Qualitative comparison of estimates of each alternative's relative development costs. These cost estimates will provide a general indication of development costs and a basis for comparing cost-effectiveness.
- Environmental Factors – Analysis focused on key factors such as noise, air quality, water quality, scenic oversight, land use impacts, zoning, and social impacts. Evaluation will identify development alternatives that can minimize environmental disruption and comply with environmental regulations.
- Implementation Feasibility – Qualitative analysis of certain factors, both tangible and intangible, which affect an airport's ability to implement certain development projects.

The alternatives will be quantitatively and qualitatively evaluated, according to their performance against operational, economic, environmental, and implementation feasibility criteria. A preferred development alternative for each of the functional components will then be selected. Location options and development needs for support facilities will be reviewed and investigated as part of this phase of the alternatives analysis. Some facilities may have a single, logical development option associated with them. For those facilities, an analysis of alternatives may not be necessary. The result will be identification of a recommended course of action for the ensuing 20-year planning period.

Alternatives to address the following areas will be analyzed:

- Airside Pavements (Runways, Taxiways, Aprons)
- Lighting and NAVAIDs
- Landside (Parking, Access, and Circulation)
- Facilities (FBO, fuel, hangars).

IRS concurrence on the resulting findings will be required prior to moving forward since many subsequent tasks are driven by the findings.

Deliverables: Working paper including graphics and text as appropriate to summarize and document the merits of each alternative developed. The paper will support the development of the Narrative Report.

Task 7 Environmental Overview

Consultant will prepare a summary inventory of environmentally sensitive features and the potential impacts upon those as part of the recommended development plan. The inventory will include readily available information and review the following:

- Potential environmental impacts of the selected airspace/land use/airfield/landside plan to allow plan refinement.
- Potential significance of the impacts.
- Possible abatement and mitigation measures that may reduce or eliminate any potentially significant adverse impacts.
- Prior environmental and planning documents.
- Current site conditions at the airport.

A preliminary overview of known environmental resource categories from desktop research or easily visible upon the anticipated on-site inspection will be completed in conformance with the most current FAA Order 1050.1F, *Environmental Impacts: Policies and Procedures*, FAA Order 5050.4B, *National Environmental Policy Act (NEPA) Implementing Instructions for Airport Actions*, FAA ACs, and applicable federal, state, and local regulations. Environmental resource categories where an impact may be anticipated will be identified as a potential impact.

The environmental overview is not intended to be a substitute for a NEPA document. It is to provide information on obvious environmental resources applicable to the airport. For ALP updates, a desktop analysis of cultural resource studies or wetland delineations or to define known environmental factors will be conducted using existing digital resources. This scope of work does not include the depth of NEPA review to meet the requirements of an Environmental Assessment or Environmental Impact Statement. No noise contours will be developed as part of this project.

Deliverables: Summary of overview that will be incorporated into the Narrative Report.

Task 8 ALP and Exhibit 'A' Property Map

This task will develop both the ALP and the Exhibit 'A' Property Map. The Exhibit 'A' Property Map is now a sub-element of the ALP, per the FAA SOP 2.0 criteria; however, it is a separate sub-task within Task 8 due the extensive work required to address FAA SOP 3.0 to bring the existing document into compliance and integrate it into the new ALP document.

8.1 ALP Update

A new ALP set to show existing facilities and development recommended for the Airport over the 20-year planning period will be developed in accordance with FAA SOP 2.0.

8.1.1. Development of Base CAD File

The ALP set will be created with the use of the aerial photography and associated topographic information generated by NV5. The ALP set will be updated in accordance with the FAA ARP SOP 2.0 as well as FAA AC 150/5300-13B.

8.1.2 Title Sheet

This sheet will include the approval signatures and the approval letter. The final approval letter will be entered into the electronic files so that it will be a part of the complete ALP drawing package. Additionally, locational maps to illustrate the geographic location of the airport will also be shown as well as an index to the ALP sheets.

8.1.3 Data Sheet

This sheet will contain runway data tables, airport data tables, the airport wind rose and wind data table and other data as appropriate per FAA SOP 2.0.

8.1.4 ALP Sheets (Existing and Future Sheets)

It is anticipated that multiple drawings will be created to show existing and future development of the airport. These plans will be line drawings showing major airport facilities, airport boundaries, runway protection zones, etc.

8.1.5 Aerial Sheet

The Airport Aerial Plan shall be drawn using aerial photography. This sheet is a line drawing showing existing facilities, airport boundaries, and runway protection zones superimposed on an aerial photo. This drawing is not required by the SOP; however, it is found to be very effective for reviewing ALP data.

8.1.6 Building/Terminal Area Plans (estimated two (2) sheets)

This shall be a sheet (possibly two (2) depending on the findings of the building area alternatives) showing all new and future development on the airfield.

8.1.7 Airport Airspace Drawing – FAR Part 77 Sheet

Part 77 surfaces will be superimposed on a USGS quadrangle map. This sheet shall depict objects that violate FAR Part 77 surfaces that have not been identified on the ALP or approach sheets. Top elevation of each obstruction will be listed in a table. The Consultant will receive an obstruction summary from the MDOT AERO that will be included on this drawing. This will include tall structures that are contained in the FAA OE/AAA database. The Consultant will field verify the existence of towers noted in the data provided using aerial imagery such as Google Earth. The Consultant will only confirm their existence, but no validation of height or exact location will be part of this contract.

8.1.8 Inner Portion of the Approach Surface Drawings

Approach drawings shall be drawn using the new aerial photography. Each runway end will be illustrated in separate sheets along with future sheets, if necessary, to provide more clarity in the information being conveyed. The locations of objects in plan and profile, existing and future, will be shown on separate sheets. Plan views shall be superimposed on aerial photos or a detailed line drawing.

The data needed for these sheets will be a result of a field survey and photogrammetry to determine obstructions to FAR Part 77 surfaces that must be numbered in plan and profile. The obstructions will be listed numerically in a table describing the obstruction type, top elevation, allowable elevation, amount of penetration, and proposed dispositions. Elevations of roads, railroads, power poles, trees, buildings, etc., in the approaches shall be shown. Part 77 surfaces for existing, future, and ultimate approaches will be shown. The FAA surfaces per AC 180/5300-13B, NAVAID surfaces such as the precision approach path indicator (PAPI) obstacle clearance surface (OCS) and light signal clearance surface (LSCS), and Michigan State Licensing surfaces will also be included.

Several sheets, per runway end, may be required to accommodate this information.

8.1.9 Land Use Plan

The Consultant will develop a drawing that reflects the land uses that surround the airport at the time of execution of the project contract. This data will be obtained from data provided by the City of Sturgis and St. Joseph County.

8.1.10 Exhibit 'A' Property Map

The specific elements of the Exhibit 'A' Property Map are covered in Task 8.2, this task addresses the steps necessary for the inclusion of this data into the ALP set.

8.1.11 ALP Checklist

Using the FAA SOP 2.0, Appendix A – the ALP checklist will be developed for review by the IRS POC, the MDOT AERO and FAA, as part of the Airspace Review process.

An important part of the ALP development is the summary of Modification of Standards (MOSs) currently in place at the airport, as well as any MOS that may be identified as necessary as part of the planning process. The Consultant will use data provided by the FAA, MDOT AERO, and IRS to generate this summary. This task is not required to fix these MOSs, nor evaluate any form of mitigation, simply to catalog any existing MOS or any that are identified as part of this project.

8.1.12 Narrative Report

Using the FAA SOP 2.0, the ALP Narrative Report will be developed for review by the IRS POC, MDOT AERO, and the FAA, as part of the Airspace Review process. This document will utilize the working papers/summaries generated in the previous tasks.

8.1.13 Submission of ALP Package for MDOT AERO Review

The ALP set will consist of electronic files that can be printed in a 24" x 36" sheet format, containing enough data to obtain approvals from the FAA and MDOT AERO. The SOP 2.0 Appendix A, which contains the ALP checklist and outlines in detail the items required on the base ALP sheets, shall become part of the agreement between the Sponsor and the Consultant. All the sheets in the ALP shall depict existing conditions and shall reflect the current FAA standards and the changes based on this study.

Consultant will submit a signed copy of the SOP 2.0 checklist to MDOT AERO for use in the airspace review. Preparation of the ALP set shall be on CAD equipment. The Consultant will submit a draft set of the ALP to IRS for review and comment as part of this task and make necessary edits to address IRS comments prior to submitting to the MDOT AERO for comments on the draft ALP set.

Consultant will submit one electronic copy of the draft ALP set, along with an electronic copy of the draft narrative report, the draft ALP checklist, and the draft Exhibit 'A' checklist for MDOT AERO. These will be distributed via an electronic file delivery service.

Consultant expects that MDOT AERO will provide up to two (2) rounds of comments on the draft ALP set, which will be addressed by the Consultant. Once accepted by MDOT AERO, MDOT AERO will submit the draft ALP to the FAA for airspace review. These will be distributed via an electronic file delivery service.

8.1.14 Address FAA Airspace Review and Produce Final ALP Set

Upon receipt of FAA airspace review comments, the Consultant will update the ALP and issue the final ALP set to the FAA and IRS for use. An electronic copy will be produced with the full ALP package including the Exhibit 'A' property information, ALP, Exhibit 'A' Checklist, and Narrative Report.

Deliverables: Full ALP package with contents listed above, including Exhibit 'A' property information, ALP, Exhibit 'A' Checklist, and Narrative Report.

8.2 Exhibit 'A' Property Map

Consultant will develop a new Exhibit 'A' Property Map package that will be included in the

ALP set. This effort will result in several sheets being developed. An update of the property acquisition dates is planned for the Exhibit 'A' Property Map to meet FAA ARP SOP 3.0 requirements. Stephenson Land Survey will provide the ground survey effort for this task.

8.2.1 Review of Existing Deeds and Title Search

A title search for approximately 20 parcels (airport owned and avigation easement parcels) will be conducted to provide a base of property information to work from.

8.2.2 Survey for Section Corners and Runway Ends

A boundary survey is not being included in this effort. Since land acquisition has been limited since the 2014 update, Sheet 2 of the current Exhibit 'A' Property map will be used as the basis for all property development. IRS will provide the Consultant with all existing title information for airport owned properties. This information will be used both to support the Exhibit 'A' update. This data will be valuable in the development of the updated drawing set. A field survey will be performed by Stephenson Land Survey staff to identify section corners and tie them to the runway environment for Consultant to develop the updated graphics that encompass approximately 20 parcels, representing airport property and avigation easements.

8.2.3 Drawing Development

Consultant, along with Stephenson Land Survey, will develop a new Exhibit 'A' Property Map drawing set expected to include approximately two to three (2-3) sheets of data illustrating both the plan view of the approximately 20 parcels, and data tables that address the criteria outlined in FAA SOP 3.0. The Consultant will not be responsible for mitigating any conflicting information identified by the title search or the drawing development. If any conflicts are found (gaps, overlaps, etc.), they will be summarized in a working page and provided to IRS for consideration and probable future action.

This includes, but is not limited to:

1. Surveying runway ends to serve as a reference for parcel development, and inclusion of airport specific safety areas into final drawing.
2. Drawing to include section corners and section lines.
3. Illustrating a dedicated airport property boundary, labeled with bearing and distance, and the individual airport property parcels that make up that boundary.
4. Showing property parcels with unique designation. Parcel designation found on previous Exhibit 'A' should carry over to new Exhibit 'A.'
5. Describing each segment of a property parcel's boundary in some manner. Metes and bounds, lot and block, plat, or other appropriate property description are acceptable.

6. Parcel information: (often in table format)
 - a. Grantor
 - b. Type of interest acquired
 - c. Acreage
 - d. Type of conveyance instrument
 - e. Liber/book and page of recording
 - f. FAA grant number, including year
 - g. Type of easement (clearing, avigation, utility, right of way, expiration date, easement held by others, subordination agreement, etc.)
 - h. Date and type of release/land use change (aeronautical use, interim use, concurrent use), if applicable
 - i. Utility easements (often in separate table, or labeled on drawing)

The Consultant will not be responsible for mitigating any conflicting information identified by the title search or the drawing development. If any conflicts are found (gaps, overlaps, etc.), they will be summarized in a working page and provided to IRS for consideration and probable future action.

8.2.4 Exhibit 'A' Checklist and Section 163 Review

Consultant will use the FAA SOP 3.0 Checklist to develop the drawing set and will complete the checklist for submission to the FAA for consideration.

8.2.5 Review of Draft by IRS POC

The Consultant will submit a draft set of the ALP to IRS for review and comment as part of this task and make necessary edits to address IRS comments prior to submitting to the MDOT AERO for comments on the draft ALP set.

8.2.6 Edits to Address IRS Comments

The Consultant will address IRS comments on the draft Exhibit 'A' document and use the draft as part of Task 8.1.10 for the completion of the ALP set. The completed documents will be submitted separately from the ALP set to provide opportunity to review and comment.

8.2.7 Edits to Address MDOT AERO/FAA Comments

The Consultant will address MDOT AERO/FAA comments on the Exhibit 'A' Property Map drawing set, once the FAA Airspace Review is completed, should any be necessary.

Deliverables: Exhibit 'A' Property Map.

Schedule

The assumption for this schedule is a total of approximately 18 months from Notice to Proceed (NTP) to development of the draft ALP set that is ready for submittal to MDOT AERO for review. This schedule is heavily predicated on the collection of the aerial photogrammetry and mapping being collected during 2023. Should this shift to the summer of 2024, the schedule will need to extend accordingly, up to an additional nine months to account for the timing required to obtain the aerals and base mapping information. Tasks that are not dependent upon receipt of the mapping will proceed immediately after receipt of the NTP, as appropriate, such as general data collection, airport user surveys and property boundary surveys.

Timing for both MDOT AERO and FAA are outside of the scope of the 18 months for consultant services. Individual meeting and task associated timing are discussed previously by task.

Summary of Exhibits

- **Exhibit E1 – AGIS Attribution List**
- **Exhibit E2 – NV5 – ADIP Survey Work & Aeronautical mapping**
- **Exhibit E3 – NV5 - Airport Obstruction Evaluation**
- **Exhibit E4 – Commonwealth Associates, Inc. – Title Search**
- **Exhibit E5 – Stephenson Land Survey – Survey**

Exhibit E1

AGIS Attribution List

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Aircraftgatestand <ol style="list-style-type: none"> a. Name b. gateStandType c. jetwayAvailability d. towingAvailability e. groundPowerAvailability 2. Airfieldlight <ol style="list-style-type: none"> a. Name b. lightingType c. color d. PilotControlFrequency 3. Airportsign <ol style="list-style-type: none"> a. Name b. signType c. height d. message 4. Apron <ol style="list-style-type: none"> a. Name b. apronType c. NumberOfTieDowns d. surfaceType e. surfaceMaterial f. surfaceCondition g. fuel 5. Building <ol style="list-style-type: none"> a. Name b. buildingNumber c. status d. numberOfCurrentOccupants e. lighting 6. Constructionarea <ol style="list-style-type: none"> a. Name b. Status c. projectName d. projectStatus 7. Fence <ol style="list-style-type: none"> a. Name b. Type c. Height | <ol style="list-style-type: none"> 8. Gate <ol style="list-style-type: none"> a. Name b. Type c. Height d. attended 9. Navaidequipment <ol style="list-style-type: none"> a. Name b. Description c. FAAFacilityID d. NavaidEquipmentType e. NavaidSystemType 10. Parkinglot <ol style="list-style-type: none"> a. Name b. parkingLotUse c. totalNumberSpaces d. numberHandicapSpaces e. Owner 11. Roadcenterline <ol style="list-style-type: none"> a. Name 12. Runway <ol style="list-style-type: none"> a. Name b. surfaceType c. surfaceMaterial 13. Shoulder <ol style="list-style-type: none"> a. Name b. shoulderType 14. Tanksite <ol style="list-style-type: none"> a. Name b. tankType c. TopElevation 15. Taxiwayelement <ol style="list-style-type: none"> a. Name b. taxiwayID c. taxiwayType d. surfaceMaterial e. surfaceCondition f. surfaceType g. Direction |
|--|--|

Exhibit E2
NV5 – ADIP Survey Work & Mapping

April 12, 2023

Ms. Stephanie Ward
Department Manager – Aviation East
Mead & Hunt
2605 Port Lansing Road
Lansing, Michigan 48906

Project: 042193 | Aeronautical Obstruction Survey – Kirsch Municipal Airport (IRS)

Dear Ms. Ward,

This summary of work describes our understanding of the scope of work and services required for an aeronautical obstruction survey at the Kirsch Municipal Airport (IRS) located in Sturgis, MI. The project will be done in compliance with Airports GIS Program policies and will include an airport airspace analysis for vertically guided operations for Runway 1/19 and non-vertically guided operations for Runway 6/24. The Advisory Circulars identified below detail the data collection requirements and accuracies for the project and the verification process by the Federal Aviation Administration (FAA) and the National Geodetic Survey (NGS).

- ➔ AC 150/5070-6B, Change 2 "Airport Master Plans"
- ➔ AC 150/5300-13B "Airport Design"
- ➔ AC 150/5300-16B "General Guidance and Specifications for Aeronautical Surveys: Establishment of Geodetic Control and Submission to the National Geodetic Survey"
- ➔ AC 150/5300-17C, Change 1 "Standards for Using Remote Sensing Technologies in Airport Surveys"
- ➔ AC 150/5300-18B, Change 1 "General Guidance and Specifications for Submission of Aeronautical Surveys to NGS: Airport Survey Data Collection and Geographic Information System (GIS) Standards"

Summary of Work

We understand that the purpose of this project is to accomplish an FAA Airport Airspace Analysis Survey for all surfaces defined in FAA Advisory Circular 150/5300 - 18B: 2.7.1.1 Runways with Vertical Guidance and 2.7.1.3 Runways without Vertical Guidance. In addition, and per FAA Policy Guidance issued 9/22/22, we will be evaluating, updating, and/or incorporating the Obstacle Authoritative Source (OAS) obstacle data (1,089 existing objects in OAS within 18B surfaces) as a part of this project. Mead & Hunt will be responsible for any updates to the OAS data using the FAA's Runway Airspace Management tool.

For this project, we will acquire new vertical stereo digital imagery at a physical image scale of 1"=3,846' of the obstruction surface areas and 1"=1,923' of the mapping limits. The aerial imagery will cover all of the VG and NVG Airspace Analysis surfaces using a Digital Mapping Camera III (DMC III) camera system, or comparable, during leaf-on conditions.

From the 1"=3,846' imagery, we will produce the following:

- Limited landmark feature planimetric mapping
- Color digital orthophotos with a 1.0' pixel resolution
- Identification and mapping of obstruction obstacles for all of the VG and NVG surfaces

From the 1"=1,923' imagery, we will produce the following:

- 100 scale mapping with 2' contours of the mapping limits (1,172 acres)
- Color digital orthophotos with a 0.5' pixel resolution
- Identification and mapping of obstruction obstacles for the VGRPS, VGPCS, VGPS, and NVGPS surfaces

The online SOW will be prepared during project initiation with input from the airport, Mead & Hunt, and NV5 Geospatial. NV5 Geospatial will be responsible for preparation and submittal of the Survey and Quality Control Plan, Imagery Acquisition Plan, Imagery Acquisition Report, Final Project Report and all associated data files as required for submission to the FAA ADIP online database.

Quality Standards

The project has been designed to conform to the National Map Accuracy Standards for 1"=100' scale planimetric feature collection, two foot contours and six and twelve inch orthophoto production. In addition, we ensure that the photogrammetric mapping will meet all FAA and NGS standards. We will exercise reasonable care and will conform to the standards of practice ordinarily used by the photogrammetric profession.

Project Area

The project area encompasses all of Kirsch Municipal Airport (IRS) inclusive of the obstruction surfaces as defined in the attached exhibits.

Control Surveying

The aerial photography will be completed with ABGPS control which will be used for the base control for the geo-referencing of the aerial imagery. NV5 Geospatial will process the ABGPS data using COR stations and reference it to the project control datums:

Horizontal: North American Datum of 1983/2011 (NAD 83(2011)), in the MI State Plane Coordinate System, South Zone, International survey feet.

Vertical: North American Vertical Datum of 1988 (NAVD 88)

NV5 Geospatial will complete all of the remaining on-site ground control surveys, including:

- Geodetic control validation of the existing airport PACS and SACS stations or establish temporary airport control according to the guidelines established in AC 150/5300-16B
- Establishing all necessary photo-identifiable ground control and FAA mandated check-points required to validate the ABGPS and IMU control.
- Collection of the airport runway end positions
- Collection of vertical profile for runway
- Collection of the position, elevation, and where required the appropriate navigational aid perpendicular point of all electronic and visual navigational aids (NAVAIDS) located on the airport and associated with any current instrument approach servicing the airport
- All other tasks, not specifically listed above, as outlined in FAA AC-18B, Table 2-1 "Survey Requirements Matrix" for Airport Layout Plan.
- Full field-collected attribution of all airport features
- Final Survey Report

Photogrammetric Mapping

We will collect the features normally shown on 1"=100' scale mapping within the mapping limits identified in the exhibit. We will build a digital terrain model (DTM) by collecting masspoints and breaklines. These DTM elements will be used to construct a triangulated irregular network (TIN) surface from which 2' contours will be interpolated. Contours will be dashed in areas where the ground is obscured by trees, dense brush, deep shadows or other obstructing features. Dashed contours indicate a lower level of accuracy. Additional field surveys should be performed in areas of dashed contours prior to design. All contours will be

continuous polylines. The final data will be delivered in ESRI Shapefile format (FAA) and AutoCAD format (Mead & Hunt).

Orthophoto Mapping

We will use the control solution and imagery to generate a Digital Elevation Model (DEM) of the VG and NVG surfaces. The imagery will be processed into color digital orthophotos using the aforementioned DEM to rectify the images. Orthophotos for the entire project area will be developed with a 1.0' pixel resolution. Orthos will be delivered in a GeoTIFF file format.

18B Obstruction Surveys

The Obstructions Surfaces to be uploaded to ADIP will satisfy the requirements of AC 150/5300-18B:

- 2.7.1.2 Analysis of Existing Runway 1/19 with Vertically Guided Operations
(Surfaces include the VGRPS, VGPCS, VGAS, VGPS, VGATS, VGHS and VGCS)
- 2.7.1.3 Analysis of Existing Runway 6/24 without Vertically Guided Operations
(Surfaces include the NVGPS, NVGAS, NVGTS, and NVGHS)

Other Obstruction Surveys

As shown in attached exhibits, other obstructions to be provided directly to Mead & Hunt include:

- Existing Runway 1/19 - Part 77 – NPIR(C)
- Existing Runway 1/19 – AC 13B – Surface 5 – (> ¼ statute mile) & Surface 6
- Existing Runway 6/24 – Part 77 – VIS A (RW 6) & NPIR(A) (RW 24)
- Existing Runway 6/24 – AC 13B – Surface 2

The specific types and quantities of obstructions for each surface are outlined and clearly defined for the particular surface in each circular section. Any obstructions that meet the requirement of the circular, but are of a nature that elevations at the highest point of the obstruction are virtually impossible to read through photogrammetric methods (cell tower, electrical tower, etc.), will be identified and relayed to the surveyor to initiate field surveyed elevations for the obstruction.

The obstruction delivery will include the limited landmark planimetric feature collection.

The final data will be uploaded to ADIP in ESRI Shapefile format.

Production Schedule

We will work with you to finalize a mutually agreeable schedule for the project. We will make a reasonable effort to maintain the agreed-upon schedule. However, should the project be interrupted by technical problems beyond our control, including control deficiencies or map file re-deliveries rescheduling may become necessary.

Deliverables

NV5 Geospatial will submit all data collected and associated required deliverable in the formats specified in the appropriate advisory circulars to the FAA Office of Airports, Airports Surveying-GIS Program. All data submissions to the FAA will be through the program's web site at <https://adip.faa.gov/agis/public/>.

The AC 150/5300-17C project data deliveries that will not be submitted through the web site will be delivered on external hard drives or DVDs.

The 18B deliverables that will be uploaded to ADIP include:

- Imagery Plan and Survey and Quality Control Plan
- Image Delivery (sent to FAA)
- Color digital orthophotos (sent to FAA)
- Digital limited landmark detail outside the airport
- Obstruction survey data for **Existing** Runway 1/19 & 6/24
- Planimetric data and two foot contours to 18B specs (Shapefile format)
- Photogrammetrically derived and surveyed attributes in defined format
- Surveyed ends and profile for runway
- NAVAID data
- FGDC compliant metadata
- Final Report

We will deliver the following items to Mead & Hunt:

- Planimetric data and two foot contours in AutoCAD format (mapping limits)
- Color digital orthophotos with a 1.0' pixel resolution in GeoTIFF (project area)
- Color digital orthophotos with a 0.5' pixel resolution in GeoTIFF (mapping limits)
- 2 color enlargements (30"x40") covering the airport and surrounding area (mounted/laminated/framed)
- OAS obstacle data spreadsheet containing changes (XLS format)
- Other obstruction survey data in CSV/XLS format
- Spot elevations on buildings on airport property
- Spot elevations on buildings in the approach surface off airport property

All digital files will be delivered on external hard drive, FTP or CD/DVD.

Cost and Payment Terms

Compensation for the above services will be provided as a lump sum cost of U.S. \$88,662.00.

Client Responsibilities


The successful and timely completion of this project is dependent upon a number of elements and work tasks, some of which involve participation by Mead & Hunt. You will be responsible for designating a representative for the project who will have the authority to transmit instructions, receive information, and make timely decisions with respect to the services provided by NV5 Geospatial.

NV5 Geospatial Representative

Jill Mahoney, Project Manager and Marlin Zook, Technical Manager, will represent us during the performance of the services to be provided under this agreement. Each has the authority to transmit and receive instructions and make decisions with respect to the services. Each is authorized to commit the necessary resources towards completing the services described herein.

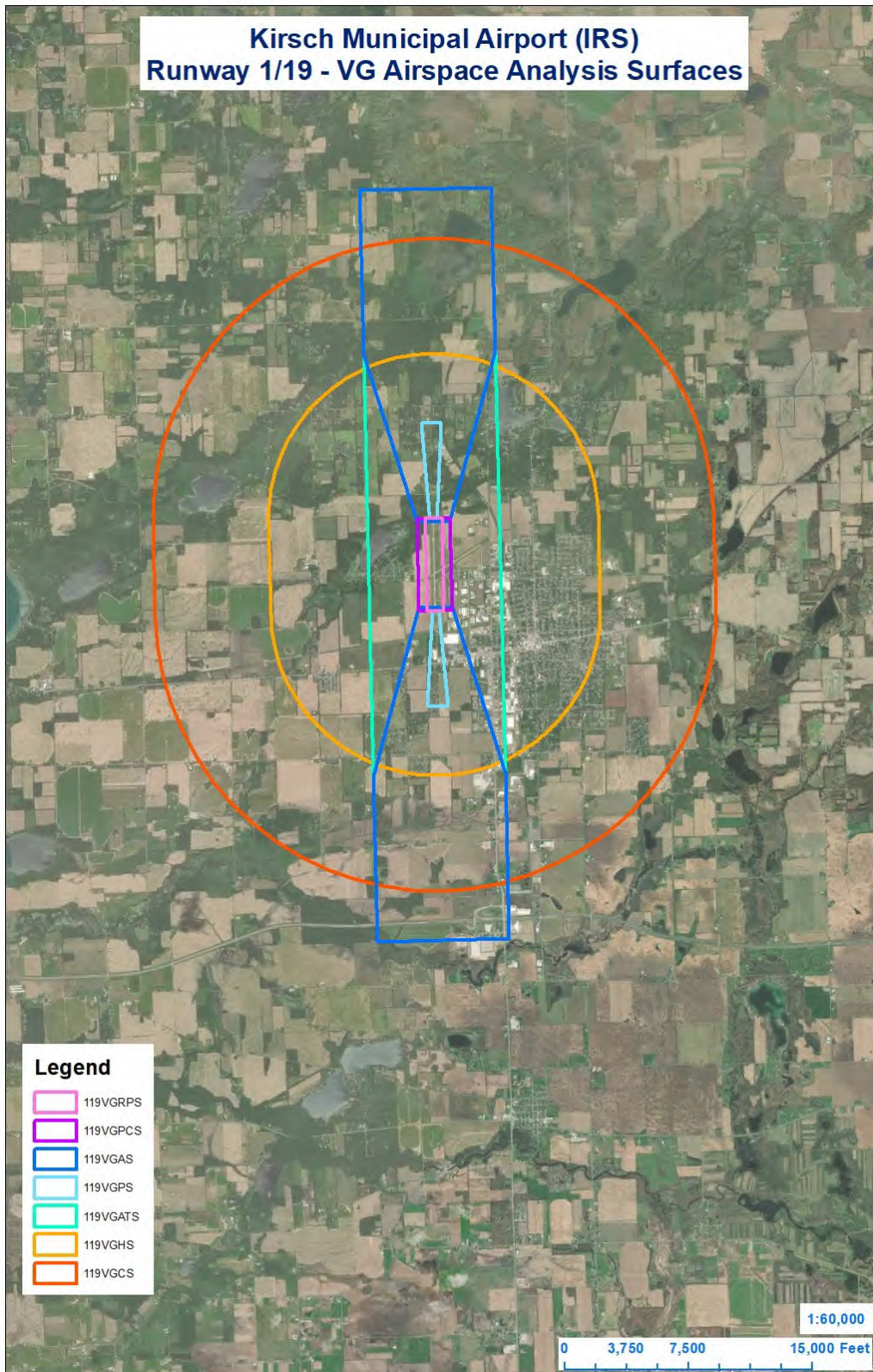
We look forward to working with you and your staff to complete this project in a timely and cost effective manner. Should you have any questions, please call our office at 803-351-3136 or email me at the address shown below.

Sincerely,

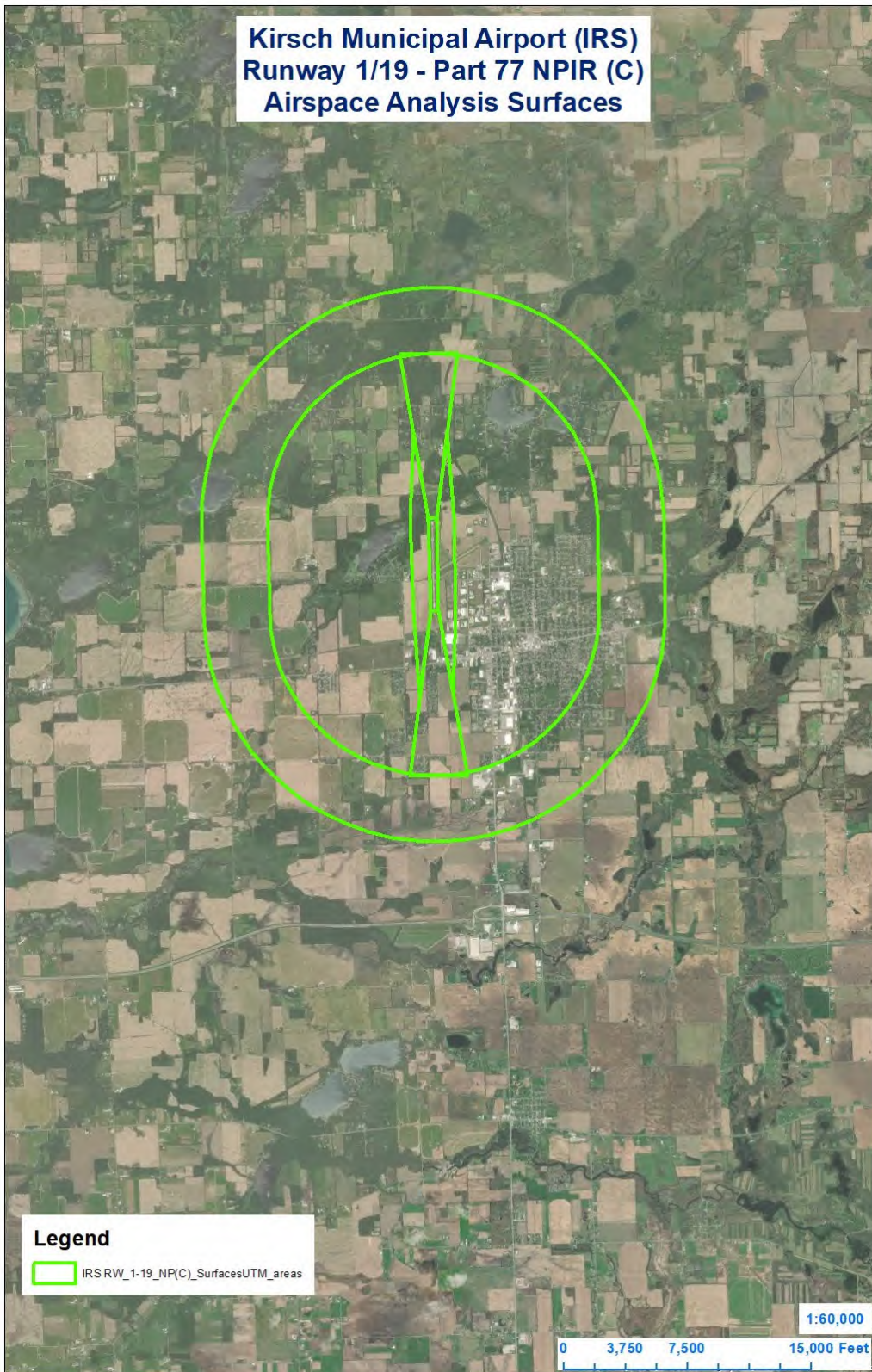


David Grigg
Aviation Program Director
David.Grigg@nv5.com

**Kirsch Municipal Airport (IRS)
Runway 1/19 - VG Airspace Analysis Surfaces**



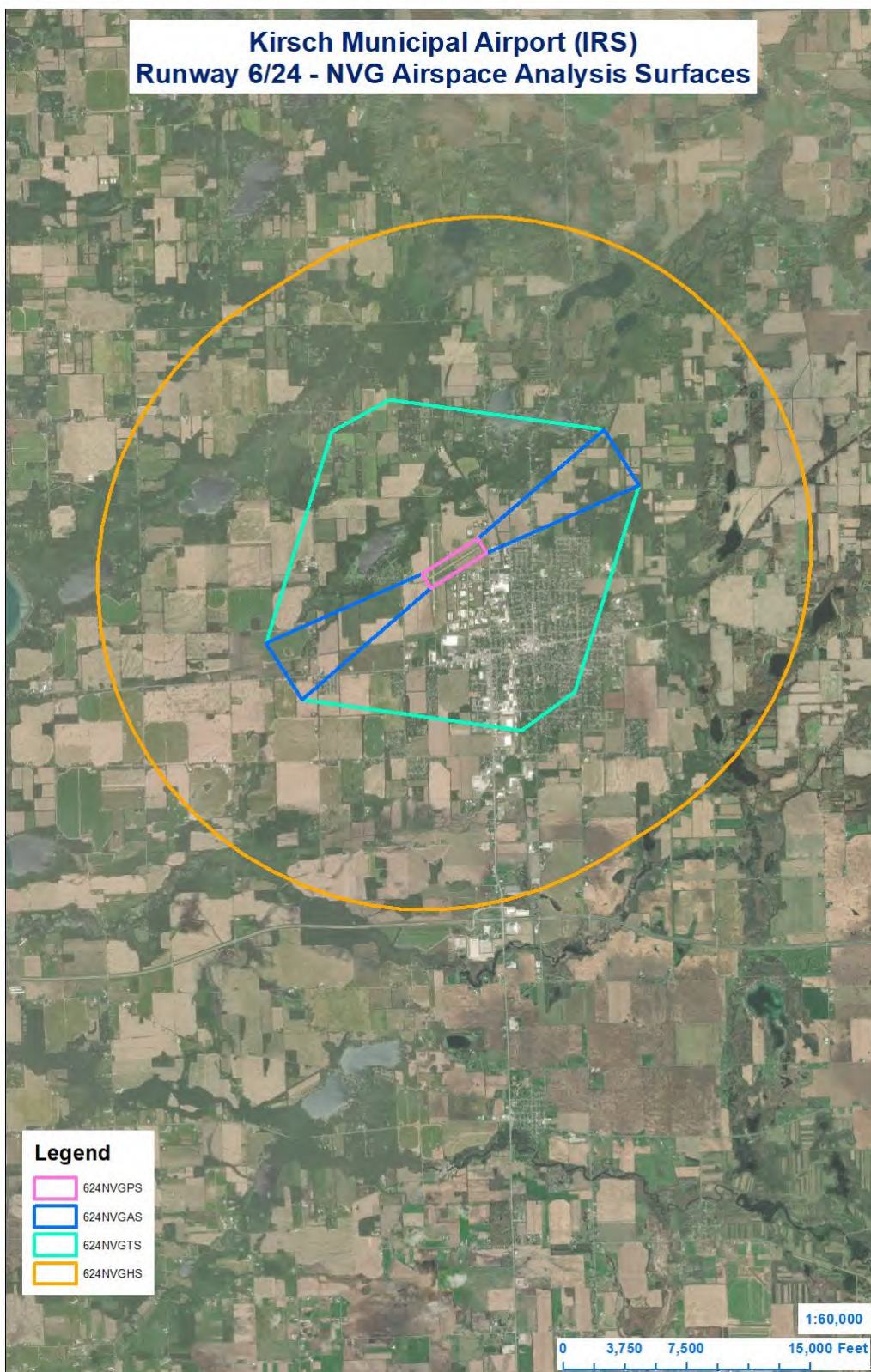
**Kirsch Municipal Airport (IRS)
Runway 1/19 - Part 77 NPIR (C)
Airspace Analysis Surfaces**



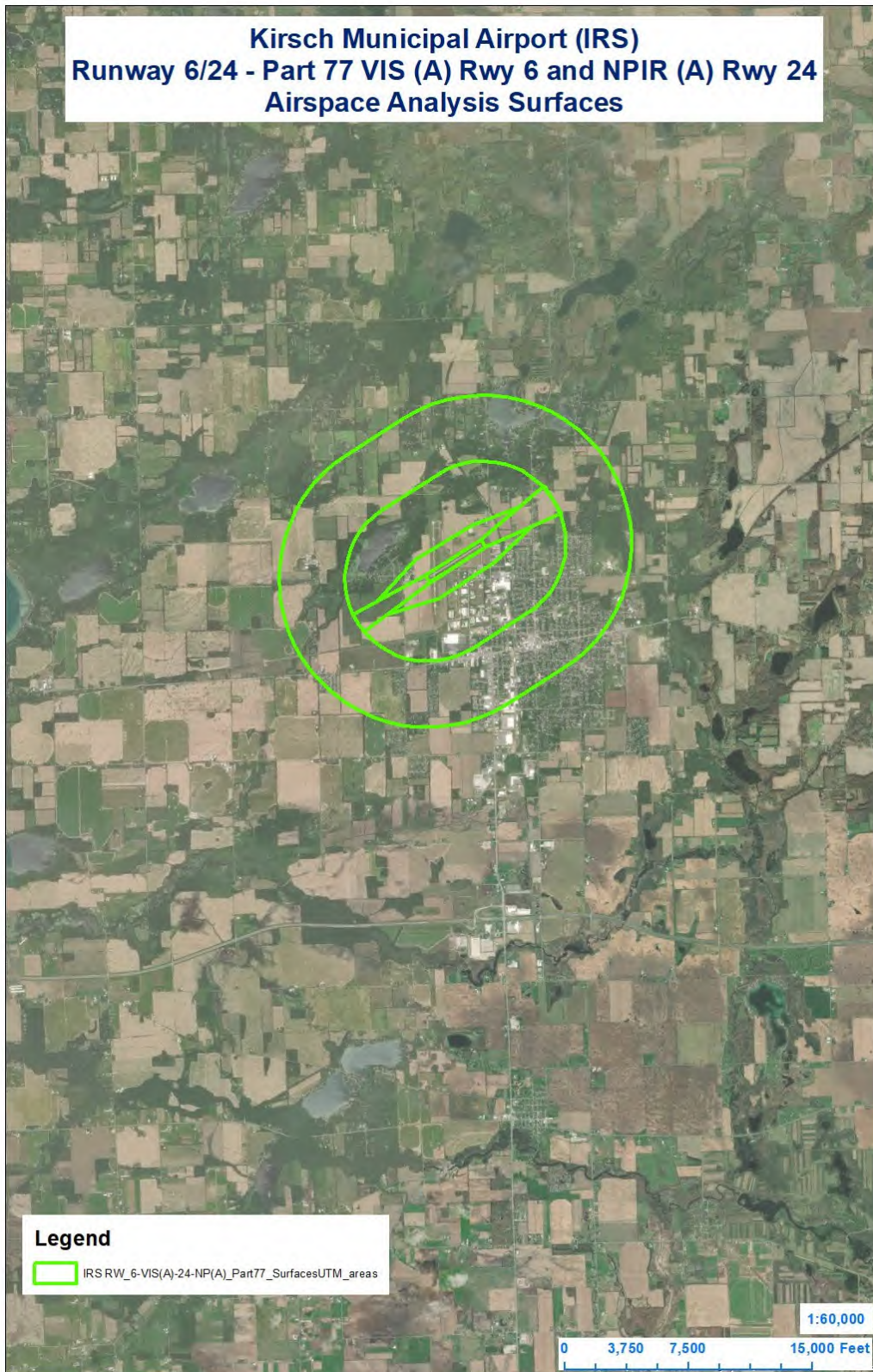




**Kirsch Municipal Airport (IRS)
Runway 6/24 - NVG Airspace Analysis Surfaces**



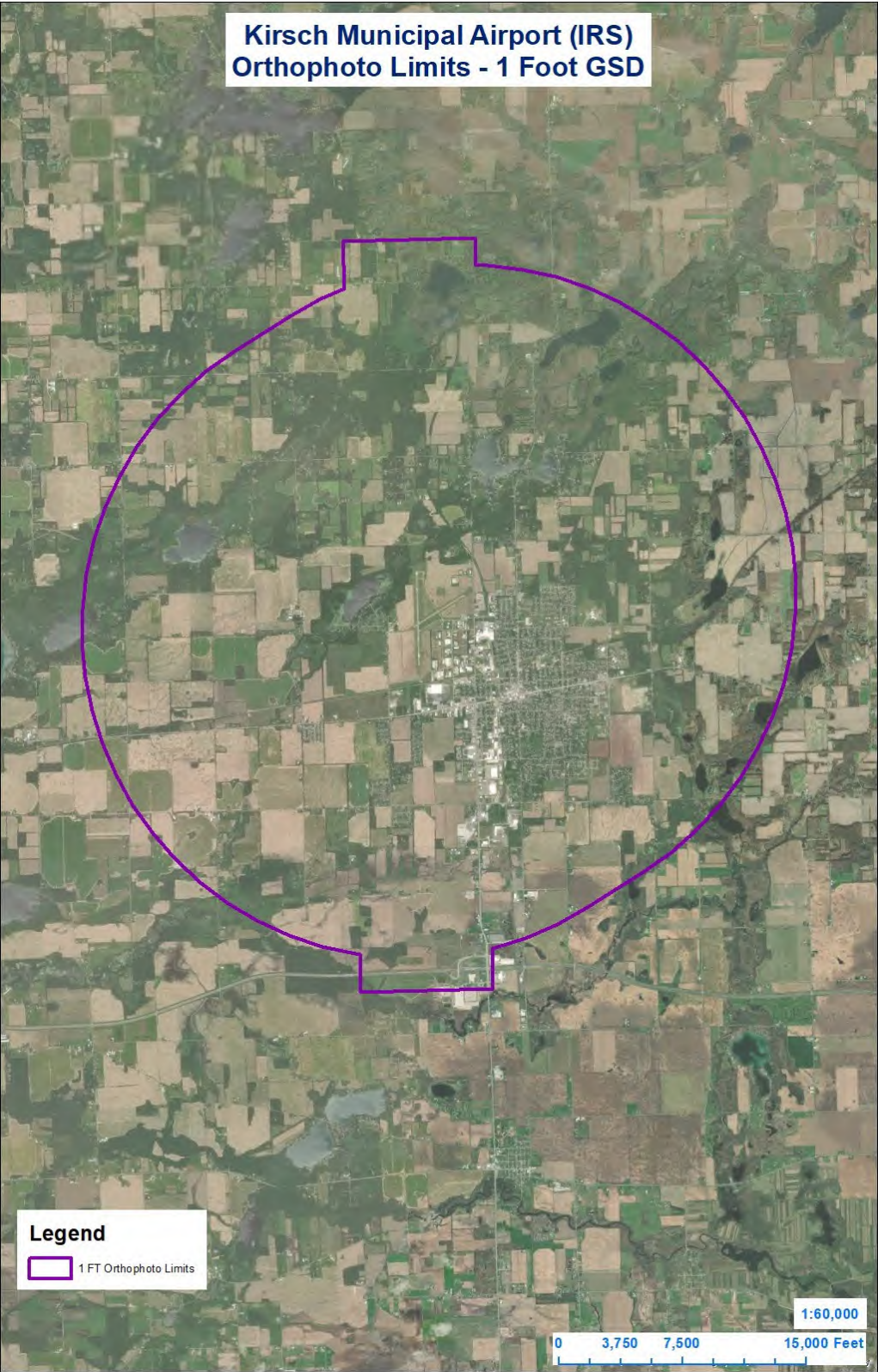
**Kirsch Municipal Airport (IRS)
Runway 6/24 - Part 77 VIS (A) Rwy 6 and NPIR (A) Rwy 24
Airspace Analysis Surfaces**





Kirsch Municipal Airport (IRS)
Mapping Limits - 1"=100' Plan with 2 Foot Contours





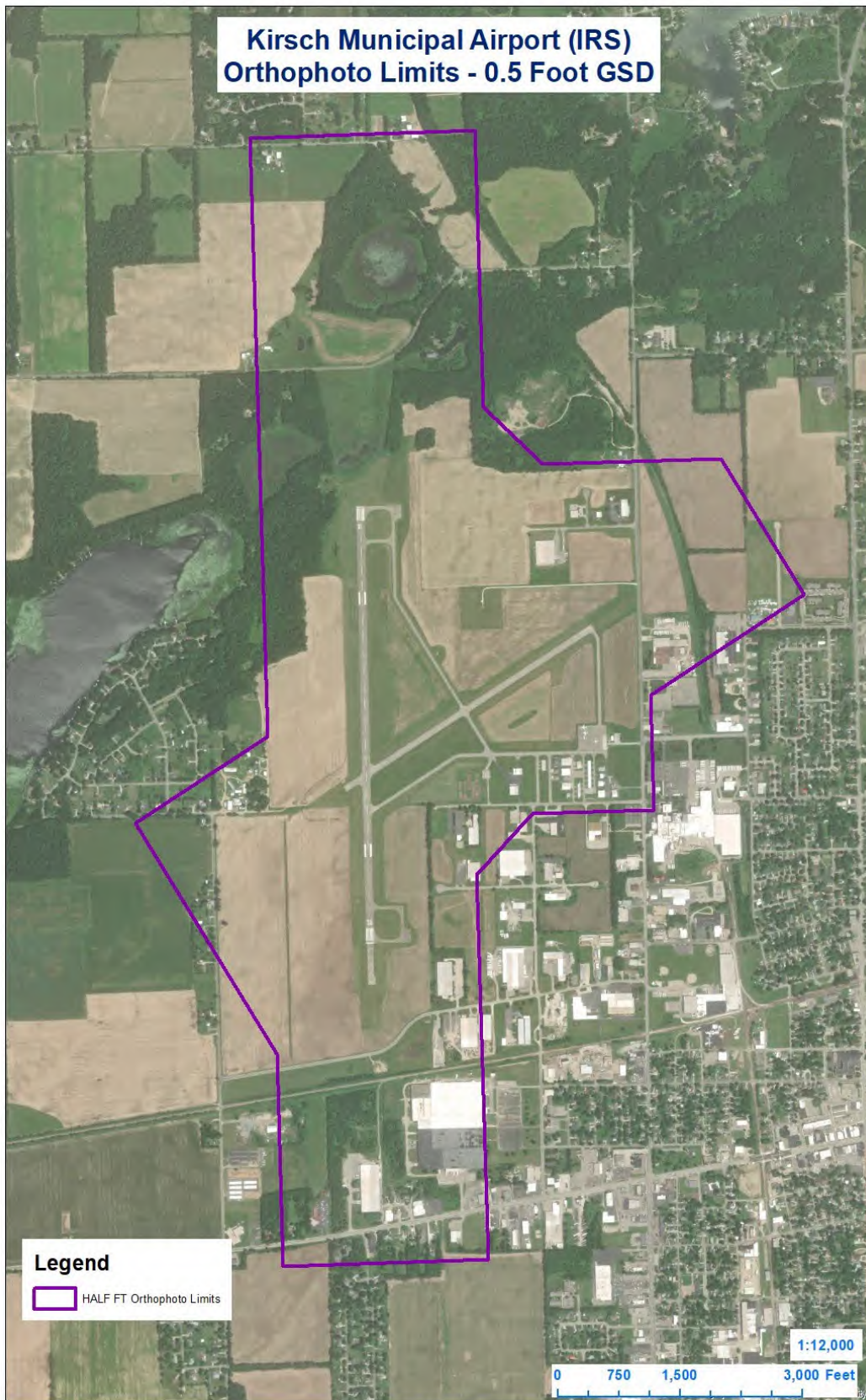
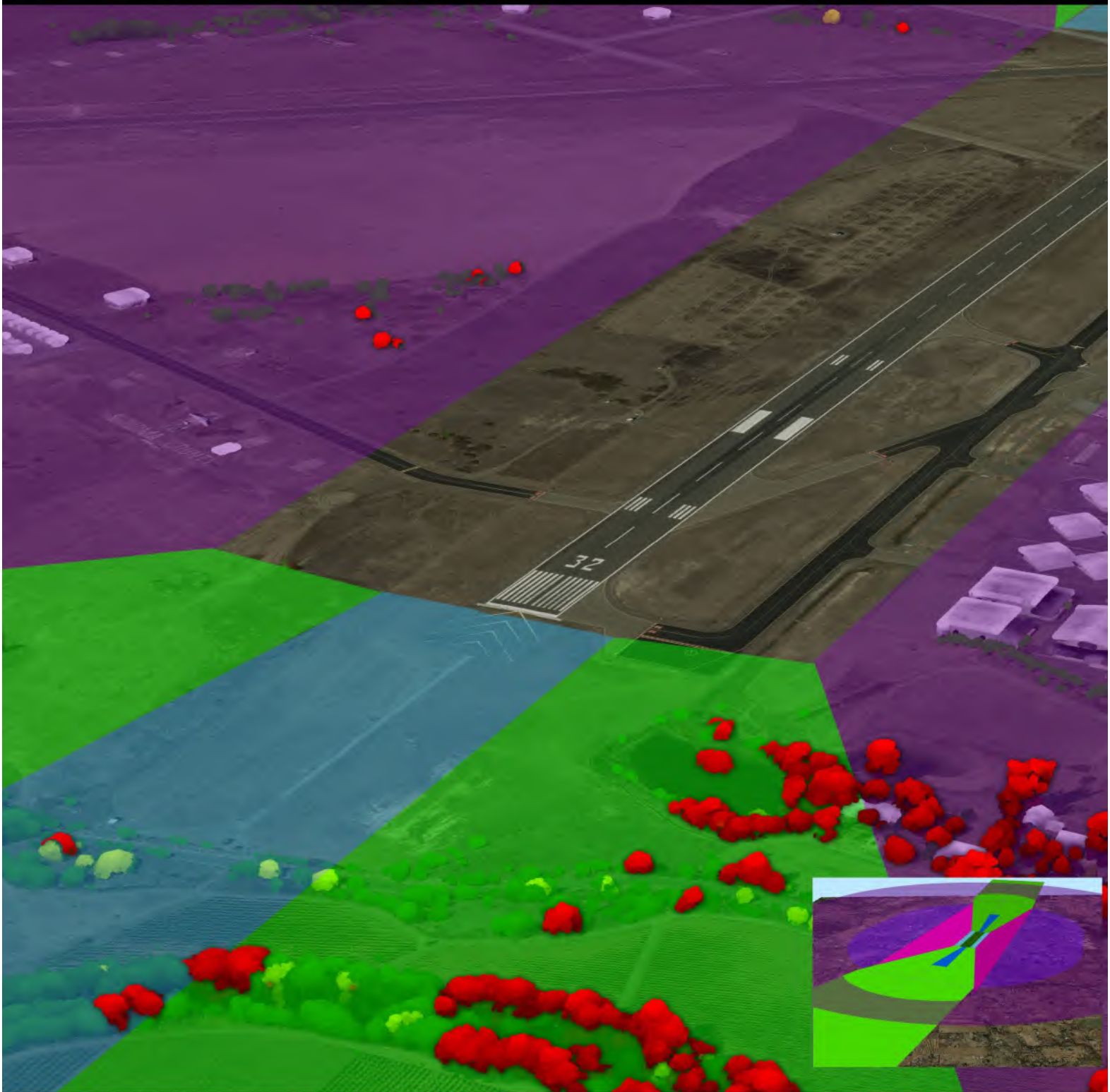


Exhibit E3
Airport Obstruction Evaluation

AIRPORT VEGETATION MANAGEMENT

NV5 GEOSPATIAL



January 23, 2023

Ms. Stephanie Ward
Department Manager – Aviation East
Mead & Hunt
2605 Port Lansing Road
Lansing, Michigan 48906

Project: Airport Obstruction Evaluation – Kirsch Municipal Airport (IRS)

Dear Ms. Ward,

This summary of work describes our understanding of the scope of work and services required to provide obstruction information for obstruction evaluation purposes at Kirsch Municipal Airport (IRS) located in Sturgis, Michigan.

Summary of Work

For this project, we will acquire high resolution (12 ppsm or greater) Lidar data for the defined area. The aerial survey and vegetation analysis will cover all of the defined airspace surfaces as discussed between NV5 Geospatial and Mead & Hunt. See the attached exhibit for area of coverage.

From the 12 pulse per square meter (ppsm) lidar data, we will produce the following:

- Custom Vegetation Obstruction Data Reports including location, height, distance above each obstructed surface, and land parcel data.
- Google Earth .KML file with attributed obstruction data for easy access and navigation
- Esri shapefiles with obstruction data for GIS application including point and polygon obstruction features

Airspace analysis to 12,500 FT includes:

- Existing Runway 1/19 – Part 77 – NPIR(C)
- Existing Runway 1/19 – AC-13B – Surface 5 (>3/4 MI) and Surface 6
- Existing Runway 1/19 – PAPI OCS and LSCS
- Existing Runway 1/19 – Michigan State Surface
- Existing Runway 6/24 – Part 77 – VIS A (RW 6) & NPIR(A) (RW 24)
- Existing Runway 6/24 – AC-13B – Surface 2
- Existing Runway 6/24 – PAPI OCS and LSCS
- Existing Runway 6/24 – Michigan State Surface

Quality Standards

All LiDAR derived classified point clouds meet or exceed Lidar Base Specifications Version 1.0 (USGS, 2012), Guidelines for Digital Elevation Data (NDEP, 2004), and LAS Specification v1.2 (ASPRS, 2009). In addition, NV5 Geospatial's commitment to provide industry-leading data quality is supported by a rigorous internal QA/QC program put in place at project initiation and applied from project planning, through data collection, to final delivery.

Project Area

The project area encompasses Runways 1/19 and 6/24 of the Kirsch Municipal Airport (IRS) inclusive of the obstruction surfaces as defined during discussions between NV5 Geospatial and Mead & Hunt. Total distance off each runway end is 12,500 FT with a distance of 3,750 FT off each side of the runways (see attachment).

Ground Survey

Simultaneous to airborne LiDAR collection missions, NV5 Geospatial will provide ground control survey for this project. This survey will include the collection of 12 control points.

LiDAR Processing

The overall goal of LiDAR point processing is to rapidly create highly accurate data. Processing tasks include: GPS, kinematic corrections, calculation of laser point position, relative accuracy testing and calibrations, classification of ground and non-ground points, assessments of statistical absolute accuracy, and creation of ground and highest hit surface models. Absolute accuracy will be assessed by comparing laser points to ground level survey data (i.e., RTK).

NV5 Geospatial shall use proprietary software to compare the appropriate obstruction identification surfaces for each runway to LiDAR point cloud data to accurately identify each penetrating obstruction. NV5 Geospatial will analyze key details for each obstructions including: location, height, obstruction surface penetrated, amount penetrated, and land parcel data. The final data will be delivered in a format to work with ESRI shape files and Google Earth KML files. Feature attributes will be built into a spreadsheet (with key object identifiers). Delivery formats can be discussed and adjusted between you and NV5 Geospatial as the project continues to develop.

Production Schedule

NV5 Geospatial will deliver the completed data within 60 days after collection of lidar data, ground survey, and the appropriate aviation surfaces have been received.

Deliverables

NV5 Geospatial will create the following deliverables for all data collected. Formats listed below:

- Overall Obstruction Report in Adobe PDF Format - Listing obstructions found to all aviation surfaces being analyzed. Analysis broken down by parcel, with a summary table and appendix.
- Individual Surface Obstruction Reports in Adobe PDF format - Listing obstructions found to each aviation surface being analyzed. Analysis broken down by parcel, with a summary table and appendix. This reporting follows the same reporting style as the main report.
- Individual Surface Obstruction Spreadsheets in Microsoft Excel XLSX format - Listing obstructions found to each aviation surface being analyzed, but delivered in a Spreadsheet format.

- Individual Surface Obstruction Polygons/Polylines in ESRI Shapefile format - Obstructions being provided in polygon/polyline format, with attribution for each obstruction found.
- Individual Surface Obstructions in Google Earth KML format - Obstruction shown as point data, containing attributed information for each obstruction, each parcel, and general location of the aviation airspace surface being analyzed.

All digital files will be delivered via FTP, email, or external hard drive.

Cost and Payment Terms

Compensation for the above services will be provided as a lump sum cost of U.S. \$29,574.00.

Client Responsibilities

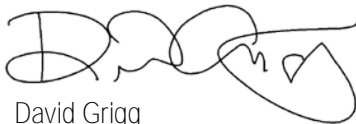
The successful and timely completion of this project is dependent upon a number of elements and work tasks, some of which involve participation by your office. You will be responsible for designating a representative for the project who will have the authority to transmit instructions, receive information, and make timely decisions with respect to the services provided by NV5 Geospatial.

NV5 Geospatial Representative

Paul Bishop, Technical Manager will represent us during the performance of the services to be provided under this agreement. He has the authority to transmit and receive instructions and make decisions with respect to the services. He is authorized to commit the necessary resources towards completing the services described herein.

We look forward to working with you and your staff to complete this project in a timely and cost effective manner. Should you have any questions, please call me at 803-351-3136 or email me at the address shown below.

Sincerely,
NV5 Geospatial, Inc.,



David Grigg
Aviation Program Director
David.Grigg@NV5.com

Exhibit 1 – Project Area



Exhibit E4
Commonwealth Associates, Inc. – Title Search

245 W. Michigan Ave.
Jackson, MI 49201
517.788.3000

www.cai-engr.com
caiinfo@cai-engr.com

IRS STURGIS TITLE SEARCH
P023.0029

February 16, 2023

Ms. Stephanie Ward
Vice President
Mead & Hunt
2605 Port Lansing Rd.
Lansing, MI 48906

Commonwealth Associates, Inc. (Commonwealth) is pleased to submit this letter proposal to Mead & Hunt to provide title search services for the above referenced project. Our proposal is based on our email communication from February 7, 2023.

The proposed pricing to complete the scope of work as outlined in this proposal is a not-to-exceed amount of **\$14,600**. The current proposal will remain valid for 30 days from the date of issuance.

We know that effective communication is key to your project's success. We achieve this key by developing concise and honest communication channels with our key project players.

Commonwealth appreciates your continuing support, and we are looking forward to working with Mead & Hunt on this important Project. If you have any questions regarding our proposal, please contact me at 248.410.0856 or Jim.Aiello@cai-engr.com.

Sincerely,



James J. Aiello, P.E., SR/WA
Right of Way and Land Services Manager

COMMONWEALTH OVERVIEW

Commonwealth's consulting and engineering design services are making a powerful difference in the electric power industry. We provide quality services to meet our clients' project needs.

Commonwealth is a leader in power and energy with expertise in transmission & distribution, land and right of way, substation, grid modernization, power generation, renewable & energy storage.

"Of our more than 100 suppliers, I would rank Commonwealth within the top tier. I would only place ten suppliers in that category and would rank them in the top five."

—Scott J. Storrar, Eastern Michigan University

	49 States Registered	7 Regional Offices	250 Skilled Professionals	45 # States with PEs
34 Years in Business	Jackson, MI Corporate Headquarters	EC&M TOP 20 Electrical Design Firm	EMR Safety 0.67	

We help secure our **ENERGY FUTURE** with diverse, innovative, sustainable solutions

Our top-ranked design firm delivers comprehensive project services from consulting, design, and implementation to commissioning and technical support services.

PROJECT DESCRIPTION AND UNDERSTANDING

Mead & Hunt would like assistance is obtaining title searches for approximately twenty (20) parcels near the Kirsch Municipal Airport in Sturgis, Michigan.

SCOPE OF SERVICES

TITLE AND OWNERSHIP INFORMATION | Commonwealth will obtain County tax/property records and title reports for approximately twenty (20) parcels as identified by Mead and Hunt. Title reports will include copies of supporting documents such as encumbrances and liens. Title reports will go back 40 years unless the most recent purchase date is older than that in which case, we will ask for additional research.

FINAL DELIVERABLES | Commonwealth will track and file all title searches and provide all documents to Mead and Hunt in an organized format.

PROJECT TEAM

Nominee Role	Education	Years of Experience	Similar Projects
James Aiello, P.E., SR/WA Land and ROW Services Manager	BS, Civil Engineering, Lawrence Technological University	23	✓

Nominee Role	Education	Years of Experience	Similar Projects
Jeannine Myers, SR/WA Right of Way Specialist / Agent	IRWA Courses	20	✓
Haleigh S. Gonzales, RWA Right of Way Specialist / Agent	BS, Business Administration, Siena Heights University	6	✓

PROJECT SCHEDULE

Commonwealth expects to start the project no later than February 27 and complete the work by April 15, 2023.

SUBCONSULTANTS

Based on quotes received Commonwealth will utilize the services of a St. Joseph County title company.

PAYMENT TERMS

Commonwealth will perform the work outlined in this proposal on a time and materials basis for a not-to-exceed amount of **\$14,600.00**. Any budget increases as a result of additional work items shall be approved by Mead & Hunt.

Cost estimate breakdown is as follows:

Commonwealth Coordination, Database Tracking and Submittals:

ROW Manager	\$ 1,000.00
Land Specialist	\$ 8,600.00

Title Searches and Copies:

20 Title Searches (including support documents)	<u>\$ 5,000.00</u>
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TOTAL: \$14,600.00

ADDITIONAL OPTIONAL SERVICES OFFERED

Miscellaneous Services

- Land evaluations and acquisition services
- Appraisals and Appraisal Review
- Environmental Services
- Drone Services (tower inspections, construction monitoring)

Please reach out if you have any further inquiries about these additional services.

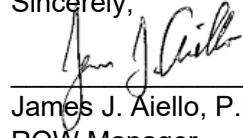
TERMS AND CONDITIONS

Commonwealth proposes to provide the services based on our existing agreement in place with Mead & Hunt.

APPROVAL/SIGNATURES

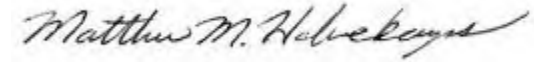
A duly authorized representative of the parties will execute this Statement of Work as of the date set forth below.

Sincerely,



James J. Aiello, P.E., SR/WA
ROW Manager
February 16, 2023

Approved for submission:



Matthew M. Halmekangas, E.I.T.
Director of Engineering
February 16, 2023

Approved by Mead & Hunt:

Date:

Exhibit E5

Stephenson Land Survey – Boundary Survey

Stephenson Land Survey (SLS), as a subcontractor to Mead & Hunt, will provide property related services to support the update of the Exhibit 'A' Property Map. SLS will provide a property survey that will tie the section corners that are in proximity to the airport to the runway ends. This will allow the Consultant to accurately draw the updated Exhibit 'A' Property Map limits for each parcel, based upon the data collected in the title search.

The estimated cost for this work is not to exceed \$10,000 for field survey staff to conduct the appropriate section corner investigation, as well as generate a CAD file that will contain the survey measurements and appropriate graphics in AutoCAD format. SLS will use the data provided by Consultant, from historical drawings, and title search information provided by Commonwealth Associates, Inc.

PROJECT: AIRPORT LAYOUT PLAN UPDATE and EXHIBIT 'A' PROPERTY MAP
 AIRPORT: KIRSCH MUNICIPAL AIRPORT
 PROJECT DESCRIPTION: ALP UPDATE WITH EXHIBIT 'A' PROPERTY MAP
 MEAD & HUNT PROJECT NUMBER: 4641700-231172.02
 Date Last Revised: 1/27/2025

DATE: 27-Jan-25
 TIME: 10:43
 BY: saw/clb
 FILE:

	DIRECT LABOR COSTS	OVERHEAD ON LABOR @ 1.7812	FEE @ 0.11	TOTAL LABOR COSTS	EXPENSES	TOTAL
TASK 1 - Project Management, Coordination & Communication	\$7,118.00	\$12,678.58	\$2,177.62	\$21,974.20	\$0.00	\$21,974.20
TASK 2 - Airport Authority Board Meetings	\$10,604.00	\$18,887.84	\$3,244.10	\$32,735.94	\$920.00	\$33,655.94
TASK 3 - Data Collection, Inventory, Aerial Mapping and ADIP	\$4,681.00	\$8,337.80	\$1,432.07	\$14,450.87	\$103,536.00	\$117,986.87
TASK 4 - Projections of Aviation Demand	\$5,072.00	\$9,034.25	\$1,551.69	\$15,657.94	\$200.00	\$15,857.94
TASK 5 - Facility Requirements Analysis	\$3,120.00	\$5,557.34	\$954.51	\$9,631.85	\$0.00	\$9,631.85
TASK 6 - Alternatives Analysis	\$4,374.00	\$7,790.97	\$1,338.15	\$13,503.12	\$0.00	\$13,503.12
TASK 7 - Environmental Overview	\$1,264.00	\$2,251.44	\$386.70	\$3,902.14	\$0.00	\$3,902.14
TASK 8 - ALP and Exhibit 'A' Property Map	\$22,731.00	\$40,488.46	\$6,954.14	\$70,173.60	\$24,600.00	\$94,773.60
TASK 9 -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TASK 10 -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TASK 11 -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TASK 12 -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TASK 13 -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TASK 14 -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TASK 15 -	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SUBTOTAL:	\$58,964.00	\$105,026.68	\$18,038.98	\$182,029.66	\$129,256.00	\$311,285.66
TOTAL COST						\$311,285.66

TOTAL COST: \$311,285.66

	CLASSIFICATION:	SR PROJECT PLANNER/ENG	PROJ. PLANNER/ ENG/ SCIENTIST	TECHNICAL EDITOR/QC	PLANNER III	TECH IV	ADMIN ASST
	RATE:	\$79.00	\$64.00	\$37.00	\$46.00	\$47.00	\$28.00
TASK 1 - Project Management, Coordination & Communication		58	28	0	4	0	20
TASK 2 - Airport Authority Board Meetings		68	32	0	48	16	8
TASK 3 - Data Collection, Inventory, Aerial Mapping and ADIP		17	2	0	4	62	4
TASK 4 - Projections of Aviation Demand		16	52	8	4	0	0
TASK 5 - Facility Requirements Analysis		8	10	0	32	8	0
TASK 6 - Alternatives Analysis		10	10	0	64	0	0
TASK 7 - Environmental Overview		2	2	4	16	2	0
TASK 8 - ALP and Exhibit 'A' Property Map		37	8	10	62	342	0
TASK 9 -		0	0	0	0	0	0
TASK 10 -		0	0	0	0	0	0
TASK 11 -		0	0	0	0	0	0
TASK 12 -		0	0	0	0	0	0
TASK 13 -		0	0	0	0	0	0
TASK 14 -		0	0	0	0	0	0
TASK 15 -		0	0	0	0	0	0
HOURS SUBTOTAL:		295	208	59	280	477	60

LABOR	CLASSIFICATION:	SR PROJECT PLANNER/ENG	PROJ. PLANNER/ ENG/ SCIENTIST	TECHNICAL EDITOR/QC	PLANNER III	TECH IV	ADMIN ASST
TASK 1 - Project Management, Coordination & Communication	RATE:	\$79.00	\$64.00	\$37.00	\$46.00	\$47.00	\$28.00
1.1 Study Design 10 4 4 8		10	4		4		8
1.2 Project Management 24 12		24					12
1.3 Sponsor Coordination including monthly conference calls over 18-24 month schedule		24	24				
		58	28	0	4	0	20
DIRECT LABOR COST:	\$7,118.00	\$4,582.00	\$1,792.00	\$0.00	\$184.00	\$0.00	\$560.00

EXPENSES				
TOTAL EXPENSES:	x	0	\$0.00	\$0.00

PM assumes 2 hours per month over 18-24 months depending upon timing of receipt of NTP
All meetings assumed to be virtual for Task 1
Coordination calls assumed to be one hour in-length, month, over course of 24 months, w/2 Mead & Hunt staff attending

TASK 1 - Project Management, Coordination & Communication COST SUMMARY	DIRECT LABOR COSTS	OVERHEAD ON LABOR @ 1.7812	FEE @ 0.11	TOTAL LABOR COSTS	EXPENSES	TOTAL
TASK 1 TOTAL:	\$7,118.00	\$12,678.58	\$2,177.62	\$21,974.20	\$0.00	\$21,974.20

LABOR	CLASSIFICATION:	SR PROJECT PLANNER/ENG	PROJ. PLANNER/ ENG/ SCIENTIST	TECHNICAL EDITOR/QC	PLANNER III	TECH IV	ADMIN
TASK 2 - Airport Authority Board Meetings	RATE:	\$79.00	\$64.00	\$37.00	\$46.00	\$47.00	\$28.00
2.1 Airport Advisory Committee Meetings - 2 on-site 32 32 32 16 8		32	32		32	16	8
2.2 Sturgis City Council Meetings - 1 on-site 16 16		16			16		
2.3 Misc. Meetings - up to 20 hours of time		20					
		68	32	0	48	16	8
DIRECT LABOR COST:	\$10,604.00	\$5,372.00	\$2,048.00	\$0.00	\$2,208.00	\$752.00	\$224.00

EXPENSES				
RENTAL CAR	5	\$100.00	\$500.00	
HOTEL (NIGHTS)	0	\$120.00	\$0.00	
MEALS(EA/PERSON)	8	\$15.00	\$120.00	
WORKING DOCS/MTLS	1	\$300.00	\$300.00	
TOTAL EXPENSES:			\$920.00	

All meetings assume at least 2 Mead & Hunt staff attending
Meetings assume 4 hrs travel, 2 hrs mtg, 2 hrs post and additional for prep. for PM, others vary
Additional time for mtg prep included for PM - approx. 8 hours per on-site mtg.
Mtg supplies includes handouts, presentation boards

TASK 2 - Airport Authority Board Meetings COST SUMMARY	DIRECT LABOR COSTS	OVERHEAD ON LABOR @ 1.7812	FEE @ 0.11	TOTAL LABOR COSTS	EXPENSES	TOTAL
TASK 2 TOTAL:	\$10,604.00	\$18,887.84	\$3,244.10	\$32,735.94	\$920.00	\$33,655.94

LABOR	CLASSIFICATION:	SR PROJECT PLANNER/ENG	PROJ. PLANNER/ ENG/ SCIENTIST	TECHNICAL EDITOR/QC	PLANNER III	TECH IV	ADMIN
TASK 3 - Data Collection, Inventory, Aerial Mapping and ADIP	RATE:	\$79.00	\$64.00	\$37.00	\$46.00	\$47.00	\$28.00
3.1 Plan and Report Collection and Review 2 4		2				4	
3.2 Historical Levels and Trends of Aviation Demand 1 2 8		1	2			8	
3.3 Existing Facilities Review 2 10		2				10	
3.4 Airports GIS Data Collection, Aerial Mapping and LIDAR evaluation 8 20 2		8				20	2
3.5 Airport User Surveys		4			4	20	2
		17	2		4	62	4
DIRECT LABOR COST:	\$4,681.00	\$1,343.00	\$128.00	\$0.00	\$184.00	\$2,914.00	\$112.00

EXPENSES			
RENTAL CAR	0	\$100.00	\$0.00
USER SURVEYS	1	\$300.00	\$300.00
NV5-Mapping & ADIP	1	\$73,662.00	\$73,662.00
NV5-LIDAR Approach Analysis	1	\$29,574.00	\$29,574.00
TOTAL EXPENSES:			\$103,536.00

TASK 3 - Data Collection, Inventory, Aerial Mapping and ADIP COST SUMMARY	DIRECT LABOR COSTS	OVERHEAD ON LABOR @ 1.7812	FEE @ 0.11	TOTAL LABOR COSTS	EXPENSES	TOTAL
TASK 3 TOTAL:	\$4,681.00	\$8,337.80	\$1,432.07	\$14,450.87	\$103,536.00	\$117,986.87

LABOR	CLASSIFICATION:	SR PROJECT PLANNER/ENG	PROJ. PLANNER/ ENG/ SCIENTIST	TECHNICAL EDITOR/QC	PLANNER III	TECH IV	ADMIN
TASK 4 - Projections of Aviation Demand	RATE:	\$79.00	\$64.00	\$37.00	\$46.00	\$47.00	\$28.00
4.1 Forecasts Analysis 8 40 4 4		8	40	4	4		
4.2 IRS Review of Forecasts 4 4 2		4	4	2			
4.3 MDOT AERO Review and Edits		4	8	2			
		16	52	8	4	0	0
DIRECT LABOR COST:	\$5,072.00	\$1,264.00	\$3,328.00	\$296.00	\$184.00	\$0.00	\$0.00

EXPENSES			
MATERIALS	1	\$200.00	\$200.00
TOTAL EXPENSES:			\$200.00

TASK 4 - Projections of Aviation Demand COST SUMMARY	DIRECT LABOR COSTS	OVERHEAD ON LABOR @ 1.7812	FEE @ 0.11	TOTAL LABOR COSTS	EXPENSES	TOTAL
TASK 4 TOTAL:	\$5,072.00	\$9,034.25	\$1,551.69	\$15,657.94	\$200.00	\$15,857.94

LABOR	CLASSIFICATION:	SR PROJECT PLANNER/ENG	PROJ. PLANNER/ ENG/ SCIENTIST	TECHNICAL EDITOR/QC	PLANNER III	TECH IV	ADMIN
TASK 5 - Facility Requirements Analysis	RATE:	\$79.00	\$64.00	\$37.00	\$46.00	\$47.00	\$28.00
5.1 Facility Requirements		8	10		32	8	
		8	10	0	32	8	0
DIRECT LABOR COST:	\$3,120.00	\$632.00	\$640.00	\$0.00	\$1,472.00	\$376.00	\$0.00

EXPENSES	0	\$0.00	\$0.00
TOTAL EXPENSES:			\$0.00

TASK 5 - Facility Requirements Analysis COST SUMMARY	DIRECT LABOR COSTS	OVERHEAD ON LABOR @ 1.7812	FEE @ 0.11	TOTAL LABOR COSTS	EXPENSES	TOTAL
TASK 5 TOTAL:	\$3,120.00	\$5,557.34	\$954.51	\$9,631.85	\$0.00	\$9,631.85

LABOR	CLASSIFICATION:	SR PROJECT PLANNER/ENG	PROJ. PLANNER/ ENG/ SCIENTIST	TECHNICAL EDITOR/QC	PLANNER III	TECH IV	ADMIN
TASK 6 - Alternatives Analysis	RATE:	\$79.00	\$64.00	\$37.00	\$46.00	\$47.00	\$28.00
6.1 Airside Pavements (Runway, Taxiway, Apron) 2 2 24		2	2		24		
6.2 Lighting and NAVAIDS 2 2 10		2	2		10		
6.3 Landside (Parking, Access and Circulation) 2 2 10		2	2		10		
6.4 Facilities (Air Cargo, GA, Corporate, ARFF, SRE, Fuel) 2 2 10		2	2		10		
6.5 Property Development		2	2		10		
		10	10	0	64	0	0
DIRECT LABOR COST:	\$4,374.00	\$790.00	\$640.00	\$0.00	\$2,944.00	\$0.00	\$0.00

EXPENSES	0	\$0.00	\$0.00
TOTAL EXPENSES:			\$0.00

TASK 6 - Alternatives Analysis COST SUMMARY	DIRECT LABOR COSTS	OVERHEAD ON LABOR @ 1.7812	FEE @ 0.11	TOTAL LABOR COSTS	EXPENSES	TOTAL
TASK 6 TOTAL:	\$4,374.00	\$7,790.97	\$1,338.15	\$13,503.12	\$0.00	\$13,503.12

LABOR	CLASSIFICATION:	SR PROJECT PLANNER/ENG	PROJ. PLANNER/ ENG/ SCIENTIST	TECHNICAL EDITOR/QC	PLANNER III	TECH IV	ADMIN
TASK 7 - Environmental Overview	RATE:	\$79.00	\$64.00	\$37.00	\$46.00	\$47.00	\$28.00
7.1 Environmental desk-top review (existing documents and new materials)		2	2	4	16	2	
		2	2	4	16	2	0
DIRECT LABOR COST:	\$1,264.00	\$158.00	\$128.00	\$148.00	\$736.00	\$94.00	\$0.00

EXPENSES			
	0	\$0.00	\$0.00
	0	\$0.00	\$0.00
TOTAL EXPENSES:		\$0.00	

TASK 7 - Environmental Overview COST SUMMARY	DIRECT LABOR COSTS	OVERHEAD ON LABOR @ 1.7812	FEE @ 0.11	TOTAL LABOR COSTS	EXPENSES	TOTAL
TASK 7 TOTAL:	\$1,264.00	\$2,251.44	\$386.70	\$3,902.14	\$0.00	\$3,902.14

LABOR	CLASSIFICATION:	SR PROJECT PLANNER/ENG	PROJ. PLANNER/ ENG/ SCIENTIST	TECHNICAL EDITOR/QC	PLANNER III	TECH IV	ADMIN
TASK 8 - ALP and Exhibit 'A' Property Map	RATE:	\$79.00	\$64.00	\$37.00	\$46.00	\$47.00	\$28.00
8.1 ALP Set		2			8	40	
8.1.1 Development of Base File 2 8 40		1				4	
8.1.2 Title Sheet 1 4		2				16	
8.1.3 Data Sheet 2 16		2	4			40	
8.1.4 Airport Layout Plan Sheets (estimated for 2 sheets - Existing and Future) 2 4 40		1				8	
8.1.5 Aerial Layout Sheet 1 8		2				24	
8.1.6 Building/Terminal Plans (estimated for 2 sheets) 2 24		1				16	
8.1.7 Airport Airspace Drawing - FAR Part 77 Sheet 1 16		2				32	
8.1.8 Inner Portion of Approach Surface Drawing 2 32		1				24	
8.1.9 Land Use Plan 1 24							
8.1.10 Airport Property Map (see Task 9.2)		2	4			8	
8.1.11 Complete ALP Checklist & MOS Summary 2 4 8		2		2	40	8	
8.1.12 Narrative Report 2 2 40 8		2		8	2	8	
8.1.13 Submittal Package with Checklist, ALP set and Narrative Report to FAA 2 8 2 8		2				8	
8.1.14 Address Airspace Comments and Produce Final ALPS sets 2 8		2				8	
9.2 Exhibit 'A' Property Map							
9.2.1 Review of Existing Deeds and Title Search 1 8		1				8	
9.2.2 Coordination of Survey 1 4		1				4	
9.2.3 Drawing Development							
General Base Drawing Development 1 48		1				48	
Data Table Creation 1 10		1				10	
9.2.4 Exhibit A Checklist 2 8 8		2			8	8	
9.2.5 Review with IRS Staff 2 4		2				4	
9.2.6 Edits to address IRS comments 1 8		1				8	
9.2.7 Edits to address MDOT AERO/ FAA comments		4			4	8	
		37	8	10	62	342	0
DIRECT LABOR COST:	\$22,731.00	\$2,923.00	\$512.00	\$370.00	\$2,852.00	\$16,074.00	\$0.00

EXPENSES			
CAI	1	\$14,600.00	\$14,600.00
Stephenson	1	\$10,000.00	\$10,000.00
	0	\$0.00	\$0.00
TOTAL EXPENSES:		\$24,600.00	

TASK 8 - ALP and Exhibit 'A' Property Map COST SUMMARY	DIRECT LABOR COSTS	OVERHEAD ON LABOR @ 1.7812	FEE @ 0.11	TOTAL LABOR COSTS	EXPENSES	TOTAL
TASK 8 TOTAL:	\$22,731.00	\$40,488.46	\$6,954.14	\$70,173.60	\$24,600.00	\$94,773.60

Michigan Department of Transportation Bipartisan Infrastructure Law Agreement

MDOT BIL Agreement Number 2024-0847
Grant Number 3-26-0092-18024

The Michigan Department of Transportation (MDOT) has been notified of the attached Federal Aviation Administration (FAA) Bipartisan Infrastructure Law (BIL) Grant. MDOT is responsible for distribution of the funds pursuant to the AERONAUTICS CODE OF THE STATE OF MICHIGAN Act 327 of 1945 and program administration per the State Block Grant Program Memorandum of Agreement.

Per this MDOT BIL Agreement, hereafter referred to as "this Agreement", MDOT shall enter into an agreement with the airport owner. This Agreement shall obligate the airport owner to comply with each of the terms and conditions contained in the Federal Aviation Administration Bipartisan Infrastructure Law Grant, to the Federal Aviation Administration State Block Grant Program Assurances, and to the conditions included in this Agreement.

This Agreement shall convey the requirements, terms, conditions, and assurances contained in FAA BIL Grant number 3-26-0092-18024 to City of Sturgis, on behalf of Kirsch Municipal Airport airport, whose associated city is Sturgis , hereafter referred to as "the Sponsor", as a recipient of funds channeling through the State of Michigan. Any reference to FAA transfers to MDOT acting as FAA, where applicable. All requirements of the Sponsor contained in the attached FAA BIL Grant are in addition to the requirements contained in this Agreement. The Sponsor agrees to comply with the General Conditions and Special Conditions set forth in this Agreement, the FAA Assurances, and the FAA Advisory Circulars, in the FAA BIL Grant.

This Agreement will be used for the purpose of assigning the rights and obligations of the parties in agreeing to the project estimated in detail in Exhibit 1, dated 9/26/2024. The project cost participation, as defined in attachment(s) 5 is made a part of this Agreement. The actual MDOT, FAA, and Sponsor shares of the project cost will be adjusted at the time of the financial closure of the FAA Grant.

Project Description: Project Description

The estimated total project cost is \$332,786. The Sponsor shall use these funds for the project as described in the FAA BIL Grant. BIL Grant recipients shall follow the FAA's Policy and Procedures Concerning the Use of Airport Revenues ("Revenue Use Policy"), 64 Federal Register 7696 (64 FR 7696), as amended by 78 Federal Register 55330 (78 FR 55330). The Revenue Use Policy defines permitted uses of airport revenue. In addition to the detailed guidance in the Revenue Use Policy, the funds received under this grant, or any associated subgrants, may not be used for any purpose not related to the airport.

The Sponsor shall make payments to MDOT for the Sponsor's share of the project costs within thirty (30) days of the billing date, if billed. MDOT will not make payments for any project work prior to receipt of payment from the Sponsor for their billed share. Eligible project costs that are paid by the Sponsor may be submitted for credit toward their share if submitted within one hundred eighty (180) days of the cost incurred, or Agreement award date, whichever is later.

The Sponsor shall upload each payment request to MDOT's ProjectWise software. Each request shall have the following Document Name:

- Associated City_Vendor_BIL_Invoice Number (Example: Anytown_BestBuilder_BIL_876.pdf)

Once payment requests and all proper documentation are received, MDOT will review, process, and submit to FAA.

The project cost shown includes the maximum obligation of MDOT and federal funds under this Agreement. The maximum obligation of MDOT and Federal funds may be adjusted to an amount less than the maximums shown through a budget letter issued by MDOT. A budget letter will be used when updated cost estimates for the project reflect a change in the amount of funds needed to fund all project costs. The budget letter will be signed by the Manager of the Airport Planning and Development Section of the Office of Aeronautics.

A budget letter will also be used to add or delete work items from the project description, provided that the costs are eligible and do not exceed the maximum obligations shown in this Agreement. If the total amount of the project cost exceeds the maximum obligations shown in this Agreement, the project scope will be reduced or a written amendment to this Agreement will be completed to provide additional funds. This will have to be awarded by the parties before the work is started.

In the event it is determined by MDOT that there will be either insufficient funds or insufficient time to properly administer such funds for the entire project or portions thereof, MDOT, prior to authorizing work performance, may cancel the project or any portion thereof by giving written notice to the Sponsor. In the event this occurs, this Agreement will be void and of no effect with respect to the canceled portion of the project.

Failure on the part of the Sponsor with any of the conditions of this Agreement may be considered cause for placing the Sponsor in a state of noncompliance, thereby making the Sponsor ineligible for future federal and/or state funds until such time as the noncompliance issues are resolved. In addition, this failure may constitute grounds for cancellation of the project and/or repayment of all grant amounts on a pro rata basis. In this section, pro rata means proration of the cost of the project over twenty (20) years.

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

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

Each party to this Agreement will remain responsible for any claims arising out of that party's performance of this Agreement, as provided by this Agreement or by law.

This Agreement is not intended to increase or decrease either party's liability for or immunity from tort claims.

This Agreement is not intended to give, nor will it be interpreted as giving, either party a right of indemnification, either by Agreement or at law, for claims arising out of the performance of this Agreement.

With regard to nondiscrimination and Disadvantaged Business Enterprise (DBE) requirements:

In connection with the performance of project work under this Agreement, the Sponsor (hereinafter in Appendix A referred to as the "contractor") agrees to comply with the State of Michigan provisions for "Prohibition of Discrimination in State Contracts," as set forth in Appendix A, dated June 2011, attached hereto and made a part hereof. The Sponsor (hereinafter in Appendix B referred to as the "contractor") further agrees to comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Sections 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the United States Department of Transportation (49 CFR Part 21) issued pursuant to said Act, including Appendix B, attached hereto and made a part hereof. These provisions will be included in all subcontracts relating to this Agreement.

The Sponsor will carry out the applicable requirements of MDOT's DBE program and 49 CFR Part 26, including, but not limited to, those requirements set forth in Appendix C, dated October 1, 2005, attached hereto and made a part hereof.

The Sponsor agrees to require all prime contractors to pay each subcontractor for the satisfactory completion of work associated with the subcontract no later than ten (10) calendar days from the receipt of each payment the prime contractor receives from MDOT or the Sponsor. The prime contractor also is required to return retainage payments to each subcontractor within ten (10) calendar days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from these time frames may occur only upon receipt of written approval from MDOT. These requirements are also applicable to all sub-tier subcontractors and will be made a part of all subcontract agreements.

This prompt payment provision is a requirement of 49 CFR, Part 26, as amended, and does not confer third-party beneficiary right or other direct right to a subcontractor against MDOT. This provision applies to both DBE and non-DBE subcontractors.

The Sponsor further agrees that it will comply with 49 CFR, Part 26, as amended, and will report any and all DBE subcontractor payments to MDOT with each invoice in the format set forth in Appendix G, dated September 2015, attached hereto and made a part hereof, or any other format acceptable to MDOT.

In addition to all specific requirements, terms, conditions, and assurances contained in the attached FAA BIL Grant, the Sponsor shall ensure strict adherence to the following audit requirements:

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

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

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

If any part of the work is subcontracted, the Sponsor will assure compliance with the above requirements for all subcontracted work.

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

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

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

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

This Agreement will be in effect from the date of award (the date of the final signature) through twenty (20) years.

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

Sponsor: City of Sturgis

Authorized Sponsor Signatory: E-SIGNED by Tom Sikorski
on 2024-11-12 10:53:26 EST Date: _____

Authorized Sponsor Signatory Printed: _____

MDOT Signatory: E-SIGNED by BRYAN BUDDS
on 2024-11-12 12:09:09 EST Date: _____

MDOT Signatory Printed: _____



EXHIBIT 1

KIRSCH MUNICIPAL
STURGIS, MICHIGANProject No. 3-26-0002-18,024
Job No. 125462EPE
BIL A1G

September 26, 2024

	Eligible	Federal	State	Local	Total		
PLANNING (EPE)		\$299,507.00	\$16,639.00	\$16,640.00	\$332,786.00		
Conduct MP Study - ALP & narrative report (including Exhibit A) CONSULTANT Contract Fee	90%	\$299,657	\$16,314	\$16,315	\$326,286	125462EPE	
IFE Fee (Sponsor Reimbursement) 90% Fed90%		\$5,850	\$325	\$325	\$6,500	125462EPE	
DESIGN (PE)		\$0	\$0	\$0	\$0		
CONSTRUCTION (CON)		\$0	\$0	\$0	\$0		
TOTAL PROJECT BUDGET 125462EPE		Federal \$299,507 \$299,507	State \$16,639 \$16,639	Local \$16,640 \$16,640	Total \$332,786 \$332,786	TRUE	All Jobs Accounted For
TOTAL PROJECT PERCENTAGE 125462EPE		90.00% 90.00%	5.00% 5.00%	5.00% 5.00%	100.00% 100.00%		
Federal Billing Breakdown: 125462EPE Bill 1		\$299,507.00	NPE 3-26-SBGP-16524 Awarded 8/22/2024			TRUE	Fed Total Matches Fed Breakdown
Bid Date & Type:		NA	Local				
Performance End Date:		8/21/2028					
MAC Approval:		3/20/24					
INITIATOR:		JM					
QA:		EL					

ATTACHMENT X
REQUIRED FOR ALL PROJECTS
Notification of Required Federal Program Information to
Sub-recipients for Federal Funding

1. Does this project receive Federal funds? Yes
2. Recipient's Name: CITY OF STURGIS
3. Recipient's DUNS Number: 06-975-5718
4. Amount of Federal funds: \$299,507
5. Federal Grant Number(s): SBGP 16524
6. Grant Award Date(s): 8/22/24
7. MDOT Project Number: 3-26-0092-18024
8. Project Description: See Project Description on page one (1) of this contract.
9. CFDA Number, Federal Agency, Program Title: CFDA 20.106
Federal Aviation Administration
Airport Improvement Program
10. Federal Award Identification Number (FAIN): 3-26-SBGP-165-2024
11. Federal Award Date: 8/22/24
12. Period of Performance Start Date: Award Date of MDOT Contract
13. Period of Performance End Date: 8/21/28
14. Amount of Federal Funds obligated by this action: \$299,507
15. Total amount of Federal Funds obligated: \$299,507
16. Total amount of the Federal award: \$299,507
17. Budget Approved Cost sharing or matching, where applicable: N/A
18. Name of Federal awarding agency and contact information for awarding official:
Director Bradley C. Wieferich, P.E., Michigan Department of Transportation
425 West Ottawa Street, Lansing, MI 48909
19. Is this a Research and Development award? No
20. Indirect cost rate for the Federal award (if applicable): N/A

ATTACHMENT 5

SUPPLEMENTAL PROVISIONS FOR CONTRACTS INVOLVING AIRPORT LAYOUT PLANS AND MASTER PLANS

1. The PROJECT COST will include the cost of the consultant hired to perform the study and prepare the reports and drawings necessary to complete the PROJECT.
2. The SPONSOR will select a consultant to perform each element of the PROJECT that requires expertise. All consultant contracts will be between the SPONSOR and the consultant. Consultant contracts will be submitted to the DEPARTMENT for review and approval. Any such approval will not be construed as a warranty of the consultant's qualifications, professional standing, ability to perform the work being contracted, or financial integrity. The SPONSOR will not award a consultant contract nor authorize the consultant to proceed prior to receiving written approval of the contract from the DEPARTMENT. Any change to the consultant contract will require prior written approval from the DEPARTMENT. In the event the consultant contract is terminated, the DEPARTMENT will be given immediate written notice by the SPONSOR.
3. The SPONSOR will be billed by the DEPARTMENT. The amount of the billing will be the amount shown as the local share on the attached Exhibit 1. The DEPARTMENT will bill the SPONSOR for the SPONSOR's share of the additional estimated PROJECT COSTS for changes approved by the DEPARTMENT at the time of award of the amendment. The SPONSOR will make payment to the DEPARTMENT within thirty (30) days of the billing date.
4. Payment of all PROJECT COSTS will be made by the DEPARTMENT upon receipt of an invoice from the consultant approved by the SPONSOR.

APPENDIX A

PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

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

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.
2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.
3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.
5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.
6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.
8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.
9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

Revised June 2011

Appendix B

(Aeronautics)

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

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

1. Compliance with Regulations. The contractor will comply with the Regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation (hereinafter "DOT") Title 49, Code of Federal Regulations, Part 21, as they may be amended from time to time (hereinafter referred to as the Regulations), which are herein incorporated by reference and made a part of this contract.
2. Nondiscrimination. The contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor will not participate either directly or indirectly in the discrimination prohibited by section 21.5 of the Regulations, including employment practices when the contract covers a program set forth in Appendix B of the Regulations.
3. Solicitation for Subcontracts, Including Procurement of Materials and Equipment. In all solicitations either by competitive bidding or negotiation made by the contractor for work to be performed under a subcontract, including procurement of materials or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor's obligations under this contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.
4. Information and Reports. The contractor will provide all information and reports required by the Regulations or directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the Sponsor or the Federal Aviation Administration (FAA) to be pertinent to ascertain compliance with such Regulations, orders, and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish this information, the contractor will so certify to the sponsor of the FAA, as appropriate, and will set forth what efforts it has made to obtain the information.
5. Sanctions for Noncompliance. In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the FAA may determine to be appropriate, including, but not limited to:

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

APPENDIX C
Assurances that Recipients and Contractors Must Make
(Excerpts from US DOT Regulation 49 CFR § 26.13)

- A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

- B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

- (1) Withholding monthly progress payments;
- (2) Assessing sanction;
- (3) Liquidated damages; and/or
- (4) Disqualifying the contractor from future bidding as non-responsible.

APPENDIX F

GENERAL CONDITIONS

(Any Reference to FAA includes MDOT where applicable.)

1. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA/MDOT has determined to be ineligible or unallowable.
2. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with the regulations, policies and procedures of the Secretary. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
3. **Completing the Project Without Delay and in Conformance with Requirements.** The Sponsor must carry out and complete the project without undue delays and in accordance with this agreement, and the regulations, policies and procedures of the Secretary. The Sponsor also agrees to comply with the assurances which are part of this agreement.
4. **Improper Use of Federal Funds.** The Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner in any project upon which Federal funds have been expended. For the purposes of this grant agreement, the term "Federal funds" means funds however used or dispersed by the Sponsor that were originally paid pursuant to this or any other Federal grant agreement. The Sponsor must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The Sponsor must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The Sponsor must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.
5. **United States Not Liable for Damage or Injury.** The United States is not be responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this subgrant agreement.
6. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this subgrant. If the Sponsor fails to comply with this requirement, the FAA/MDOT may suspend, cancel, or terminate this subgrant.
7. **Financial Reporting and Payment Requirements.** The Sponsor will comply with all federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
8. **Buy American.** Unless otherwise approved in advance by the FAA/MDOT, the Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured products produced outside the United States to be used for any project for which funds are provided under this subgrant. The Sponsor will include a provision implementing Buy American in every contract.

APPENDIX F

9. Suspension or Debarment.

The State must:

- A. Immediately disclose to the FAA whenever the State:
 - 1. Learns a sub-recipient has entered into a covered transaction with an ineligible entity;
 - 2. Suspends or debars a contractor, person or entity.

The Subgrantee must:

- B. When entering into “covered transactions”, as defined by 2 CFR 180.200:
 - 1. Verify the non-federal entity is eligible to participate in this Federal program by:
 - a. Checking the excluded parties list system (EPLS) as maintained within the System for Award Management (SAM) to determine if non-federal entity is excluded or disqualified; or
 - b. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
 - c. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
 - 2. Require prime contractors to comply with 2 CFR 180.330 when entering into lower-Tier transactions (e.g. Sub-contracts).

10. Ban on Texting When Driving.

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the Sponsor is encouraged to:
 - i. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
 - ii. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
 - 1. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - 2. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The Sponsor must insert the substance of this clause on banning texting when driving in all subgrants, contracts and subcontracts.

APPENDIX F

11. Trafficking in Persons.

- a. Prohibitions: The prohibitions against trafficking in persons (Prohibitions) that apply to any entity other than a State, local government, Indian tribe, or foreign public entity. This includes private Sponsors, public Sponsor employees, subrecipients of private or public Sponsors (private entity) are:
 - 1. Engaging in severe forms of trafficking in persons during the period of time that the agreement is in effect;
 - 2. Procuring a commercial sex act during the period of time that the agreement is in effect; or
 - 3. Using forced labor in the performance of the agreement, including subcontracts or sub-agreements under the agreement.
- b. In addition to all other remedies for noncompliance that are available to the FAA, Section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), allows the FAA/MDOT to unilaterally terminate this agreement, without penalty, if a private entity –
 - i. Is determined to have violated the Prohibitions; or
 - ii. Has an employee who the FAA/MDOT determines has violated the Prohibitions through conduct that is either—
 - 1. Associated with performance under this agreement; or
 - 2. Imputed to the Sponsor or subrecipient using 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by the FAA at 49 CFR Part 29.

- 12. Exhibit A Included with Grant Application.** The Exhibit "A" updated on the date shown on the Exhibit A, submitted with the project application, is made a part of this grant agreement.

13. Co-Sponsor.

The Co-Sponsors understand and agree that they jointly and severally adopt and ratify the representations and assurances contained therein and that the word "Sponsor" as used in the application and other assurances is deemed to include all co-sponsors.

14. Audits for Public Sponsors.

A subgrantee expending \$750,000 or more of Federal awards in a fiscal year must conduct a single or program specific audit in accordance with 2 CFR part 200 part 200.

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15. System for Award Management (SAM) Registration and Universal Identifier.

A. Requirement for System for Award Management (SAM): Unless the subgrantee is exempted from this requirement under 2 CFR 25.110, the subgrantee must maintain the currency of its information in the SAM until the State submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that the State review and update the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).

B. Requirement for Data Universal Numbering System (DUNS) Numbers:

1. The State must notify a potential subrecipient that it cannot receive a subgrant unless it has provided its DUNS number to the State.
2. The State may not make a subgrant to a subrecipient unless the subrecipient has provided its DUNS number to the State.
3. Data Universal Numbering System: DUNS number means the nine-digit number Established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (866-606-8220) or on the web at <http://fedgov.dnb.com/webform>.

16. Employee Protection from Reprisal.

A. Prohibition of Reprisals-

1. In accordance with 41U.S.C. § 4712, an employee of a grantee or subgrantee may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in sub-paragraph (A)(2), information that the employee reasonably believes is evidence of:
 - i. Gross mismanagement of a Federal grant;
 - ii. Gross waste of Federal funds;
 - iii. An abuse of authority relating to implementation or use of Federal funds;
 - iv. A substantial and specific danger to public health or safety; or v. A violation of law, rule, or regulation related to a Federal grant.
2. Persons and bodies covered: The persons and bodies to which a disclosure by an employee is covered are as follows:
 - i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Federal office or employee responsible for oversight of a grant program;
 - v. A court or grand jury;
 - vi. A management office of the grantee or subgrantee; or vii. A Federal or State regulatory enforcement agency.

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- B. Submission of Complaint- A person who believes that they have been subjected to a reprisal prohibited by paragraph A of this grant term may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.
- C. Time Limitation for Submittal of a Complaint- A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.
- D. Required Actions of the Inspector General- Actions, limitations and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b).
- E. Assumption of Rights to Civil Remedy- Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c).

17. Land Acquisition.

- A. "The Sponsor agrees that no payments will be made on the grant until the Sponsor has presented evidence to the State that it has recorded the grant agreement, including the grant assurances, in the public land records of the county courthouse. The Sponsor understands and agrees that recording the grant agreement legally enforces these requirements, encumbrances and restrictions on the obligated land."

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Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	ARFF and SRE : Equipment Acquisition	<u>ARFF and SRE EQUIPMENT AND VEHICLES:</u> The Sponsor agrees that it will: 1) house and maintain the equipment in a state of operational readiness on and for the airport; 2) provide the necessary staffing and training to maintain and operate the vehicle and equipment; 3) restrict the vehicle to on-airport use only; 4) restrict the vehicle to the use for which it was intended; and 5) amend the Airport Emergency Plan and/or Snow and Ice Control Plan to reflect the acquisition of the vehicle and equipment. (Applicable only for Part 139 Airports).
Airport	Equipment Replacement such as ARFF and SRE	<u>EQUIPMENT OR VEHICLE REPLACEMENT:</u> The Sponsor agrees that because the Fair Market Value is \$5,000 or more and the equipment/vehicle will not be retained by the Sponsor for airport purposes (or donated to another eligible/justified Sponsor), the Sponsor will use the Fair Market Value of equipment being replaced by this project to reduce the total project costs.
Airport	ARFF Equipment - Off-Airport Storage	<u>OFF-AIRPORT STORAGE OF ARFF VEHICLE:</u> The Sponsor agrees that it will: 1) house and maintain the vehicle in a state of operational readiness for the airport; 2) provide the necessary staffing and training to maintain and operate the vehicle; 3) restrict the vehicle to airport use only; 4) amend the Airport Emergency Plan to reflect the acquisition of the vehicle ; 5) within 60 days, execute an agreement with local government including the above provisions and a provision that violation of agreement could require repayment of subgrant funding; and 6) submit a copy of the executed agreement to the FAA.
Airport	AWOS	<u>AUTOMATED WEATHER OBSERVING SYSTEMS (AWOS):</u> The Sponsor agrees that it will: 1) within 60 calendar days of subgrant acceptance, establish a Memorandum of Agreement (MOA) with the FAA; 2) develop an Operations Maintenance Manual to more specifically describe the operational, maintenance, and documentation

¹ Sponsor types include Airport Sponsor (Public and Private), Airport Sponsor (Private Only), Noise, and State or Local Government

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		<p>requirements for the AWOS;</p> <p>3) within 60 calendar days of installation, take the necessary actions to initiate the AWOS commissioning by the FAA; and</p> <p>4) provide for the installation, commissioning, continuous operation, and maintenance of any Non-Federal AWOS funded under this grant for the useful life of the equipment.</p> <p>The Sponsor further understands that the FAA will not take over the ownership, operation, or maintenance of any Sponsor-acquired equipment.</p>
Airport	ALP & AIP Funded Construction	AIRPORT LAYOUT PLAN: The Sponsor understands and agrees to update the Airport Layout Plan to reflect the construction to standards satisfactory to the FAA and submit it in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Airport Layout Plan Map is an allowable cost within the scope of this project.
Airport	Lighting - Operation and Maintenance	LIGHTING: The Sponsor must operate and maintain the lighting system during the useful life of the system in accordance with applicable FAA standards.
Airport	Temporary NAVAIDS	TEMPORARY NAVAIDS: The Sponsor agrees that this equipment is being acquired for temporary use to minimize disruptions to the airport during construction. The Sponsor further agrees that upon construction completion of this project or at the point when this equipment is no longer needed for its intended use (but no later than the construction completion of the project), that the Sponsor will house this equipment in an interior enclosure. The Sponsor further agrees to make this equipment available, without cost, to be transferred to another airport or as directed by the FAA.
Airport	Construction on land not yet acquired/ Good Title	NOTICE TO PROCEED - PROPERTY INTEREST ACQUIRED: The Sponsor understands and agrees that the FAA authorization for the Sponsor to issue a notice to proceed with construction work will not be given until the Sponsor has adequately certified that good title will be acquired on the land on which construction is to be performed.
Airport	Construction on land not yet acquired/ Good Title	TITLE EVIDENCE: The Sponsor understands and agrees that the FAA will not make nor be obligated to make any payments involving Parcel(s) N/A until title evidence has been submitted to, and found satisfactory by the FAA, subject to no liens, encumbrances, reservations or exceptions which in the opinion of the FAA might create an undue risk or interference with the use and operation of the airport.

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	DBE Plan	DBE PLAN: The Sponsor understands and agrees that the FAA will not make nor be obligated to make any payments on this subgrant until the Sponsor has received approval of its DBE Plan from the FAA Office of Civil Rights.
Airport	Environmental (Required for All Projects)	ENVIRONMENTAL: The environmental approval for this project was issued on the date/s shown in Aeronautics' Michigan Department of Transportation's computer program AeroPM. This project includes the following mitigation measures: Please refer directly to CATEX and all additional environmental documentation for impact considerations and mitigation measures. The Sponsor understands and agrees to complete the above-listed mitigation measures to standards satisfactory to the FAA. It is further mutually agreed that the reasonable cost of completing these mitigation measures is an allowable cost within the scope of this project.
Airport	EMAS	EMAS BLOCK PRE-PURCHASE: The Sponsor understands that it may request reimbursement for payment made by the Sponsor to the EMAS manufacturer for up to 90% of the cost of EMAS block manufacturing costs of EMAS blocks that remain in the manufacturer's care, custody and control provided that the Sponsor has provided a certification to the FAA as to quantity and condition of the EMAS blocks. The remaining payment may be made after delivery to the Sponsor's location and acceptance by the Sponsor.
Airport	Equipment	EQUIPMENT ACQUISITION: The Sponsor understands and agrees that any equipment acquired through this subgrant is considered a <i>facility</i> as that term is used in the Grant Assurances. Further, the equipment must be only operated by the Sponsor. The Sponsor agrees that it will maintain the equipment and use it exclusively at the airport for airport purposes.
Airport	Equipment - Friction Measuring Device	FRICTION MEASURING DEVICES: The Sponsor agrees that it will properly calibrate, operate, and maintain the friction measuring equipment. The friction measuring equipment and tow vehicle (if applicable) must not be used for any other purpose other than for conducting friction measuring tests on airport pavement surfaces and directly related activities.

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	NAVAIDS - ILS Note that in general, Category I ILS are no longer being installed. Instead, RNAV approaches provide equivalent approach minima. Installation of a new ILS must follow the ILS policy and must have APP-1 approval.	<u>INSTRUMENT LANDING SYSTEM AND ASSOCIATED EQUIPMENT IN PROJECT:</u> The Sponsor agrees that it will: 1) Prior to commissioning, assure the equipment meets the FAA's standards; and 2) Remove, relocate, lower, mark, or light each obstruction to obtain a clear approach as indicated in the 14 CFR part 77 aeronautical survey.
Airport	Fence - Wildlife	<u>WILDLIFE FENCE:</u> The Sponsor understands that the fence is being installed to prevent wildlife from entering the airfield. The Sponsor agrees that it will maintain the integrity of the fence for its useful life, but no less than 20 years from the date of the subgrant was issued. The Sponsor understands that maintenance of the fence includes repair of damage to the fence or gates due to any purpose.
Airport	Land - Revise Exhibit "A" Property Map	<u>UPDATE APPROVED EXHIBIT "A" PROPERTY MAP FOR LAND IN PROJECT:</u> The Sponsor understands and agrees to update the Exhibit "A" Property Map to standards satisfactory to the FAA and submit it in final form to the FAA. It is further mutually agreed that the reasonable cost of developing said Exhibit "A" Property Map is an allowable cost within the scope of this project.
Airport	Land acquisition -Future Land	<u>FUTURE DEVELOPMENT LAND:</u> The Sponsor agrees to perform the airport development which requires this land acquisition within 10 years of this subgrant agreement, and further agrees not to dispose of the land by sale or lease without prior consent and approval of the FAA. In the event the land is not used within 10 years for the purpose for which it was acquired, the Sponsor will refund the Federal and State share of acquisition cost or the current fair market value of the land, whichever is greater.
Airport	Master Plan - Coordination	<u>COORDINATION:</u> The Sponsor agrees to coordinate this master planning study with the metropolitan planning organizations, other local planning agencies, and with the State Airport System Plan prepared by the State's Department of Transportation and consider any pertinent information, data, projections, and forecasts which are currently available or as will become available. The Sponsor agrees to consider any State Clearinghouse comments and to furnish a copy of the final report to the State's Department of Transportation.

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Sponsor Type ¹	Type of Project	Special Conditions
Airport	NAVAIDS -Operations and maintenance	<u>AIRPORT-OWNED VISUAL OR ELECTRONIC NAVIGATION AIDS IN PROJECT:</u> The Sponsor agrees that it will: 1) Provide for the continuous operation and maintenance of any navigational aid funded under this subgrant agreement during the useful life of the equipment; 2) Prior to commissioning, assure the equipment meets the FAA's standards; and 3) Remove, relocate, lower, mark, or light each obstruction to obtain a clear approach as indicated in the 14 CFR part 77 aeronautical survey.
Airport	New or Replacement Airport	<u>SITE SELECTION:</u> The Sponsor understands and agrees that the Project cannot proceed beyond the site selection study until the Sponsor has received formal approval from the FAA to proceed.
Airport	Non-AIP Utility Proration (Refer to AIP Handbook –Ch. 3, Sec. 11, Par. 3-98)	<u>UTILITIES PRORATION:</u> For purposes of computing the United States' share of the allowable project costs, the allowable cost of the utilities specified in the Engineering Plans and Proposal included in the project must not exceed costs agreed upon in the Plans, Proposal, and Contract Changes and then calculated in total as a percent.
Airport	Utility Relocation	<u>UTILITY RELOCATION IN PROJECT:</u> The Sponsor understands and agrees that: 1) the United States will not participate in the cost of any utility relocation unless and until the Sponsor has submitted evidence satisfactory to the FAA that the Sponsor is legally responsible for payment of such costs; 2) FAA participation is limited to those utilities located on-airport or off-airport only where the Sponsor has an easement for the utility; and 3) the utilities exclusively serve the Airport;
Airport	Obstruction Removal	<u>OBSTRUCTION REMOVAL:</u> The Sponsor agrees to clear Parcel(s) as identified on the Engineering Plans, Proposal, and Contract Changes, as shown on Exhibit "A" Property Map, of the following obstructions: Obstructions as identified and called out on the Engineer Plans, as identified in the field, and as directed by the Engineer and then documented in the As-Built Plans at construction completion prior to final payment under the project. The Sponsor also agrees that it will not erect, nor permit the erection of any permanent structures or obstructions on the airport except those required for aids to air navigation or those which have been specifically approved by the FAA.

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	Pavement	<p><u>PAVEMENT MAINTENANCE MANAGEMENT PROGRAM:</u> The Sponsor agrees that it will implement an effective airport pavement maintenance management program as required by Subgrant Assurance Pavement Preventive Management. The Sponsor agrees that it will use the program for the useful life of any pavement constructed, reconstructed, or repaired with federal financial assistance at the airport. The Sponsor further agrees that the program will</p> <ol style="list-style-type: none"> 1. follow FAA Advisory Circular 150/5380-6, "Guidelines and Procedures for Maintenance of Airport Pavements," for specific guidelines and procedures for maintaining airport pavements, establishing an effective maintenance program, specific types of distress and its probable cause, inspection guidelines, and recommended methods of repair; 2. detail the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed; 3. include a Pavement Inventory, Inspection Schedule, Record Keeping, Information Retrieval, and Reference, meeting the following requirements: <ol style="list-style-type: none"> a. Pavement Inventory. The following must be depicted in an appropriate form and level of detail: <ol style="list-style-type: none"> 1) location of all runways, taxiways, and aprons; 2) dimensions; 3) type of pavement, and; 4) year of construction or most recent major rehabilitation. b. Inspection Schedule. <ol style="list-style-type: none"> 1) Detailed Inspection. A detailed inspection must be performed at least once a year. If a history of recorded pavement deterioration is available, i.e., Pavement Condition Index (PCI) survey as set forth in the Advisory Circular 150/5380-6, the frequency of inspections may be extended to three years. 2) Drive-By Inspection. A drive-by inspection must be performed a minimum of once per month to detect unexpected changes in the pavement condition. For drive-by inspections, the date of inspection and any maintenance performed must be recorded. 4. Record Keeping. Complete information on the findings of all detailed inspections and on the maintenance performed must be recorded and kept on file for a minimum of five years. The type of distress, location, and remedial action, scheduled or performed, must be documented. The minimum information is:

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		<ul style="list-style-type: none"> a. inspection date; b. location; c. distress types; and d. maintenance scheduled or performed. <p>Information Retrieval System. The Sponsor must be able to retrieve the information and records produced by the pavement survey to provide a report to the FAA as may be required.</p>
Airport	Pavement Exceeding \$500,000	<p><u>PROJECTS WHICH CONTAIN PAVING WORK IN EXCESS OF \$500,000:</u></p> <p>The Sponsor agrees to:</p> <ul style="list-style-type: none"> a. Furnish a construction management program to the FAA prior to the start of construction which details the measures and procedures to be used to comply with the quality control provisions of the construction contract, including, but not limited to, all quality control provisions and tests required by the Federal and State specifications. The program must include as a minimum: <ul style="list-style-type: none"> (1) The name of the person representing the Sponsor who has overall responsibility for contract administration for the project and the authority to take necessary actions to comply with the contract. (2) Names of testing laboratories and consulting engineer firms with quality control responsibilities on the project, together with a description of the services to be provided. (3) Procedures for determining that the testing laboratories meet the requirements of the American Society of Testing and Materials standards on laboratory evaluation referenced in the contract specifications (D 3666, C 1077). (4) Qualifications of engineering supervision and construction inspection personnel. (5) A listing of all tests required by the contract specifications, including the type and frequency of tests to be taken, the method of sampling, the applicable test standard, and the acceptance criteria or tolerances permitted for each type of test. (6) Procedures for ensuring that the tests are taken in accordance with the program, that they are documented daily, and that the proper corrective actions, where necessary, are undertaken.

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		<p>b. Submit at completion of the project, a final test and quality control report documenting the results of all tests performed, highlighting those tests that failed or that did not meet the applicable test standard. The report must include the pay reductions applied and the reasons for accepting any out-of-tolerance material. An interim test and quality control report must be submitted, if requested by the FAA.</p> <p>c. Failure to provide a complete report as described in paragraph b, or failure to perform such tests, will, absent any compelling justification; result in a reduction in Federal participation for costs incurred in connection with construction of the applicable pavement. Such reduction will be at the discretion of the FAA and will be based on the type or types of required tests not performed or not documented and will be commensurate with the proportion of applicable pavement with respect to the total pavement constructed under the subgrant agreement.</p> <p>d. The FAA, at its discretion, reserves the right to conduct independent tests and to reduce subgrant payments accordingly if such independent tests determine that sponsor test results are inaccurate.</p>
Airport	Pavement maintenance	<p><u>MAINTENANCE PROJECT LIFE:</u> The Sponsor agrees that pavement maintenance is limited to those aircraft pavements that are in sufficiently sound condition that they do not warrant more extensive work, such as reconstruction or overlays in the immediate or near future. The Sponsor further agrees that AIP funding for the pavements maintained under this project will not be requested for more substantial type rehabilitation (more substantial than periodic maintenance) for a 5-year period following the completion of this project unless the FAA determines that the rehabilitation or reconstruction is required for safety reasons.</p>
Airport	RPZ Acquisition	<p><u>PROTECTION OF RUNWAY PROTECTION ZONE:</u> The Sponsor agrees to prevent the erection or creation of any structure, place of public assembly, or other use in the runway protection zone, as depicted on the Exhibit "A": Property Map, except for NAVAIDS that are fixed by their functional purposes or any other structure permitted by the FAA. The Sponsor further agrees that any existing structures or uses within the Runway Protection Zone will be cleared or discontinued by the Sponsor unless approved by the FAA.</p>

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	RPZ Acquisition	<u>PROTECTION OF RUNWAY PROTECTION ZONE:</u> The Sponsor agrees to take any and all steps necessary to ensure that the owner of the land within the designated Runway Protection Zone will not build any structure in the Runway Protection Zone that is an airport hazard or which might create glare or misleading lights or lead to the construction of residences, fuel handling and storage facilities, smoke generating activities, or places of public assembly, such as churches, schools, office buildings, shopping centers, and stadiums.
Airport	RPZ Future Acquisition (This special condition should be used if any of the following items are part of the grant: 1) An airfield project that impacts the runway threshold, 2) A change in the design critical aircraft that increases the RPZ dimensions, or 3) A new or revised instrument approach procedure that increases the RPZ dimensions).	<u>ACQUISITION OF THE RUNWAY PROTECTION ZONE:</u> Future Interest in the Runway Protection Zone: The Sponsor agrees that it will acquire the Fee Title or Easement as called out by legal description in signed, applicable agreements separate from this one, as appropriate, in the Runway Protection Zones for runways that presently are not under its control within a reasonable number of years of this Subgrant Agreement. The Sponsor further agrees to prevent the erection or creation of any structure or place of public assembly in the Runway Protection Zone, except for NAVAIDS that are fixed by their functional purposes or any other structure approved by the FAA. The Sponsor further agrees that any existing structures or uses within the Runway Protection Zone will be cleared or discontinued by the Sponsor unless approved by the FAA.
Airport	VALE equipment	<u>LOW EMISSION SYSTEMS:</u> The Sponsor agrees that vehicles and equipment included in this subgrant: 1) will be maintained and used at the airport for which they were purchased ; 2) will not be transferred, relocated, or used at another airport without the advance consent of the FAA; 3) will be clearly labeled using the FAA-designed VALE program emblem; 4) will be replaced, at the Sponsor's own cost, any disabled or seriously damaged vehicle or equipment at any time during its useful life, with an equivalent vehicle or unit that produces an equal or lower level of emissions for the useful life of the vehicle or equipment, or life of Airport Emission Reduction Credits, whichever is longer. The Sponsor further agrees that it will maintain annual records on individual vehicles and equipment, project expenditures, cost effectiveness, and emission reductions.

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
Airport	VALE Recharging System	<u>RECHARGING SYSTEM VALE– USE AND OPERATION REQUIREMENTS:</u> The Sponsor understands that it is obligated to earn emissions credits from the state air quality agency on a yearly basis for the use of this recharging system and the use of electric ground support equipment at the airport. The Sponsor understands and agrees that the Sponsor may be obligated to repay to the FAA some or all of the federal share of the recharging project if Sponsor does not earn the emissions credits that the Sponsor estimated in the project application.
Airport or Noise	Building Allowable Costs (Prorate)	<u>BUILDING AIP PRORATION:</u> For purposes of computing the United States' share of the allowable project costs of the project, the allowable cost of the items called out in the Project Plans and Proposal, Contract Changes, Amendments, and agreed upon grant increases included in the project must not exceed costs agreed upon in the Exhibit 1 of this contract and any amendments to this contract calculated as a percent of the actual cost of the entire building.
Airport or Noise	Noise Land	<u>ACQUISITION OF NOISE LAND:</u> The Sponsor agrees that as part of the land acquisition in this project, it will prepare or update a Noise Land Inventory Map and Reuse Plan to standards satisfactory to the FAA and submit said documentation in final form to the FAA. It is further mutually agreed that the reasonable cost of developing or updating a Noise Land Inventory Map and Disposal Plan is an allowable cost within the scope of this project.
Airport or Noise	Noise - Annual Report	<u>ANNUAL NOISE REPORT:</u> As a condition of this Airport Improvement Program (AIP) subgrant, the Sponsor agrees to provide to the FAA, an annual report of funds expended and actions associated with this subgrant within 90 days following the end of each Federal fiscal year the subgrant remains open. The report must provide the following information: <ol style="list-style-type: none"> 1) Total noise subgrant funds expended during the fiscal year. 2) Amount of funds expended by Program Element(s) as identified in the Sponsor's Noise Compatibility Program (NCP). 3) Number of parcels mitigated by DNL contour and Program Element as identified in the Sponsor's NCP. 4) Total number of people impacted by the Sponsor's NCP (by DNL contour) and total number of people mitigated during the fiscal year by DNL contour and Program Element as identified in the Sponsor's NCP. 5) A graphic (map) depicting DNL contours and the location of mitigation action as defined by the Program Element(s) of the Sponsor's NCP, including a list by address for mitigation actions shown on the map.

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		<p>6) A written plan outlining actions being planned for the next year based on the Sponsor's priorities and the NCP.</p> <p>7) Other information as required by the FAA.</p>
All Sponsor Types	Plans and Specifications	PLANS AND SPECIFICATIONS PRIOR TO BIDDING: The Sponsor agrees that it will submit plans and specifications for FAA review and approval prior to advertising for bids.
All Sponsor Types	Plans and Specification s Certification	<p>PLANS & SPECIFICATIONS APPROVAL BASED UPON CERTIFICATION: The FAA and the Sponsor agree that the FAA approval of the Sponsor's Plans and Specification is based primarily upon the Sponsor's certification to carry out the project in accordance with policies, standards, and specifications approved by the FAA. The Sponsor understands that:</p> <p>1)The Sponsor's certification does not relieve the Sponsor of the requirement to obtain prior FAA approval for modifications to any AIP standards or to notify the FAA of any limitations to competition within the project;</p> <p>2)The FAA's acceptance of a Sponsor's certification does not limit the FAA from reviewing appropriate project documentation for the purpose of validating the certification statements;</p> <p>3) if the FAA determines that the Sponsor has not complied with their certification statements, the FAA will review the associated project costs to determine whether such costs are allowable under AIP.</p>
All Sponsor Types	Design-Only Subgrants	DESIGN SUBGRANT: This subgrant agreement is being issued in order to complete the design of the project. The Sponsor understands and agrees that within 2 years after the design is completed that the Sponsor will accept, subject to the availability of the amount of federal funding identified in the Airport Capital Improvement Plan (ACIP), a subgrant to complete the construction of the project in order to provide a useful and useable unit of work. The Sponsor also understands that if the FAA has provided federal funding to complete the design for the project, and the Sponsor has not completed the design within four (4) years from the execution of this subgrant agreement, the FAA may suspend or terminate subgrants related to the design.
All Sponsor Types	Force account	FORCE ACCOUNT: The Sponsor agrees that proposals to accomplish construction or engineering with the Sponsor's own personnel must receive approval from the FAA prior to Sponsor incurring costs and that no reimbursement payments will be made on that portion of this subgrant until the Sponsor has received FAA approval for the force account information.

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Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
All Sponsor Types	Land Acquisition - Revenue and Program Income	<u>PROGRAM INCOME AND REVENUE FROM REAL PROPERTY:</u> The Sponsor understands that all program income produced from real property purchased in part with Federal funds in this subgrant received while the subgrant is open will be deducted from the total cost of that project for determining the net costs on which the maximum United States' obligation will be based. The Sponsor further agrees that once the subgrant is closed, all net revenues produced from real property purchased in part with Federal funds in this subgrant must be used on the airport for airport planning, development, or operating expenses. This income may not be used for the Sponsor's matching share of any subgrant. The Sponsor's fiscal and accounting records must clearly identify actual sources and uses of these funds.
All Sponsor Types	Land acquisition - Relocation	<u>UNIFORM RELOCATION ACT:</u> The Sponsor understands and agrees that all acquisition of real property under this project will be in accordance with the 49 Code of Federal Regulations Part 24, Uniform Relocation Assistance And Real Property Acquisition For Federal And Federally Assisted Programs.
All Sponsor Types	Noise - mitigation	<u>INELIGIBILITY OF PREVIOUSLY INSULATED STRUCTURES:</u> The Sponsor understands and agrees that AIP funds may only be applied to noise insulate structures under 14 Code of Federal Regulations Part 150 one single time and that no structures in this subgrant have been previously noise insulated using AIP funds.
All Sponsor Types	Noise Mitigation – Private Land	<u>NOISE PROJECTS ON PRIVATELY OWNED PROPERTY:</u> The Sponsor understands and agrees that no payment will be made under the terms of this Subgrant Agreement for work accomplished on privately owned land until the Sponsor submits the agreement with the owner of the property required by the Subgrant Assurance Number 5: Preserving Rights and Powers, and the FAA has determined that the agreement is satisfactory. As a minimum, the agreement with the private owner must contain the following provisions: 1) The property owner must inspect and approve or disapprove the work on the project during and after completion of the measures as the FAA or Sponsor reasonably requests. 2) The property owner is responsible for maintenance and operation of the items installed, purchased, or constructed under this Subgrant Agreement. Neither the FAA nor the Sponsor bears any responsibility for the maintenance, operation, or replacement of these items.

APPENDIX F

Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		<p>3) If the Sponsor transfers Federal funds for the noise compatibility measures to a private property owner or agent, the property owner must agree to keep records and make those records available to the FAA and the Sponsor about the amount of funds received and the disposition of the funds.</p> <p>4) The property owner's right to sue for adverse noise impacts will be abrogated if the property owner deliberately or willfully reduces the effectiveness of the noise compatibility measures during the useful life of such measures. This obligation will remain in effect throughout the useful life of the noise compatibility measures, but not to exceed 20 years from the date of the Sponsor's acceptance of federal aid for the project.</p>
All Sponsor Types	Non AIP work in project	<p><u>NON-AIP WORK IN APPLICATION:</u> The Sponsor understands and agrees that:</p> <p>1) the Project includes the planning and/or construction of any items specified in the Plans, Proposal, and Contract Changes that is not being funded with any Federal funding in this project;</p> <p>2) although the Sponsor has estimated a total project cost of Costs shown in the Attached Exhibit 1 of this Contract, the total allowable cost for purposes of determining federal participation will not exceed Costs agreed upon as specified in the Plans, Proposal, and Contract Changes;</p> <p>3) it must maintain separate cost records for the AIP and non-AIP work;</p> <p>4) all cost records must be made available for inspection and audit by the FAA;</p> <p>5) the Sponsor understands that all non-AIP work is the sole responsibility of the Sponsor; and</p> <p>6) the amount of allowable cost that will be used for purposes of determining an increase in the maximum obligation of the United States will not exceed Costs agreed upon as specified in the Plans, Proposal, and Contract Changes, which is the total allowable cost for purposes of determining federal participation in 2) of this special condition.</p>
All Sponsor Types	Planning Scope of Work	<p><u>PRELIMINARY SCOPE OF WORK:</u> This Subgrant is made and accepted upon the basis of a preliminary scope of work. The parties agree that within 30 days from the date of acceptance of this Subgrant Offer, the</p>

APPENDIX F

Special Conditions

Note: Any reference to FAA includes MDOT, where applicable.

Sponsor Type ¹	Type of Project	Special Conditions
		Sponsor will furnish a final scope of work to the FAA and that no work will commence, nor will there be any contract signed for accomplishment of such work, until the final scope of work has been approved by the FAA. The Sponsor and the FAA further agree that any reference to the scope of work made in the Subgrant Offer or in the project application is in respect to the final scope of work.
Airport - Non-primary	Fuel farms	FUELING SYSTEM – USE AND OPERATION REQUIREMENTS: This project includes the installation of a new aviation fuel system. All revenue generated by this fueling system must be used for the operation and maintenance of the Airport in accordance with the subgrant assurances. The fueling system established under this subgrant, will be operated solely by the Sponsor and/or the Sponsor's employees. The Sponsor is further obligated to operate and maintain the fueling system for the 20-year subgrant expected life, including meeting all local, state, and federal regulations related to the fuel system.
Airport - Non-primary	Revenue Producing Project	REVENUE PRODUCING PROJECT: The Sponsor agrees and understands that the Sponsor has certified to the FAA that it has made adequate provisions for financing its airside needs. Further, the Sponsor agrees it will not seek AIP discretionary subgrant funds for the airside needs of the airport for the three fiscal years following the fiscal year in which this subgrant is issued. All revenue generated by this project must be used for the operation and maintenance of the Airport in accordance with the subgrant assurances.
Airport	Land Acquisition	LAND ACQUISITION: The Sponsor agrees that no payments will be made on the subgrant until the Sponsor has presented evidence to the FAA that it has recorded the subgrant agreement, including the subgrant assurances in the public land records of the county courthouse. The Sponsor understands and agrees that recording the subgrant agreement legally enforces these requirements, encumbrances and restrictions on the obligated land.

INSTRUCTIONS

PRIME CONSULTANT OR AUTHORIZED REPRESENTATIVE:

This statement reports the actual dollar amounts of the project cost earned by and paid to DBE subconsultants. Complete and submit to the Payment Analyst with each billing and within 20 days of receipt of final payment. Some forms may be blank if no payment was made since the previous billing.

For "Contract No., Authorization No.," and "Job No.," as appropriate, use the numbers assigned by MOOT.

For "Period Covered," report the calendar days covered by the billing.

For "Services Work Performed" report the main service performed by the subconsultant during the reporting period.

For "Total Contract Amount" report the total amount of the contract between the prime consultant and the subconsultant.

For "Cumulative Dollar Value of Services Completed" report the total amount the subconsultant has earned since beginning this project.

For "Deductions," report deductions made by the prime consultant to the subconsultant's "Cumulative Dollar Value of Services Completed" for retainage, bond or other fees, materials, services or equipment provided to the subconsultant according to mutual, prior agreement (documentation of such agreement may be required by MDOT).

For "Actual Amount Paid to Date," report cumulative actual payments made to the subconsultant for services completed.

For "Actual Amount Paid During this Report Period" report actual payments made to the subcontractor for services during this reporting period.

"Provide "DBE Authorized Signature" for final payment only.

Be sure to sign, title and date this statement.

MDOT PAYMENT ANALYST:

Complete "Comments" if necessary, sign date and forward to the Office of Business Development within seven (7) days of receipt.

MDOT Office of Business Development
P.O. Box 30050

Lansing, Michigan 48909

Questions about this form? Call Toll-free, 1-866-DBE-1264



U.S. Department
of Transportation
Federal Aviation
Administration

Airports Division
Great Lakes Region
Michigan

Detroit Airport District
Office:
11677 S Wayne Rd, Ste 107
Romulus, MI 48174-1412

August 22, 2024

Director Bryan Budds
Michigan Department of Transportation Office of Aeronautics
2700 Port Lansing
Lansing, MI 48906

Dear Bryan Budds:

The Grant Offer for the Bipartisan Infrastructure Law (BIL) - Airport Infrastructure Grant (AIG) Project No. 3-26-SBGP-180-2024 at Michigan State Block Grant Program is attached for execution. This letter outlines the steps you must take to properly enter into this agreement and provides other useful information. Please read the conditions, special conditions, and assurances that comprise the grant offer carefully.

You may not make any modification to the text, terms or conditions of the grant offer.

Steps You Must Take to Enter Into Agreement.

To properly enter into this agreement, you must do the following:

1. The governing body must give authority to execute the grant to the individual(s) signing the grant, i.e., the person signing the document must be the sponsor's authorized representative(s) (hereinafter "authorized representative").
2. The authorized representative must execute the grant by adding their electronic signature to the appropriate certificate at the end of the agreement.
3. Once the authorized representative has electronically signed the grant, the sponsor's attorney(s) will automatically receive an email notification.
4. On the **same day or after** the authorized representative has signed the grant, the sponsor's attorney(s) will add their electronic signature to the appropriate certificate at the end of the agreement.
5. If there are co-sponsors, the authorized representative(s) and sponsor's attorney(s) must follow the above procedures to fully execute the grant and finalize the process. Signatures must be obtained and finalized no later than **September 6, 2024**.
6. The fully executed grant will then be automatically sent to all parties as an email attachment.

Payment. Subject to the requirements in 2 CFR § 200.305 (Federal Payment), each payment request for reimbursement under this grant must be made electronically via the Delphi Invoicing System. Please see the attached Grant Agreement for more information regarding the use of this System.

Project Timing. The terms and conditions of this agreement require you to complete the project without undue delay and no later than the Period of Performance end date (1,460 days from the grant execution date). We will be monitoring your progress to ensure proper stewardship of these Federal

funds. We expect you to submit payment requests for reimbursement of allowable incurred project expenses consistent with project progress. Your grant may be placed in "inactive" status if you do not make draws on a regular basis, which will affect your ability to receive future grant offers. Costs incurred after the Period of Performance ends are generally not allowable and will be rejected unless authorized by the FAA in advance.

Reporting. Until the grant is completed and closed, you are responsible for submitting formal reports as follows:

- For all grants, you must submit by December 31st of each year this grant is open:
 1. A signed/dated SF-270 (Request for Advance or Reimbursement for non-construction projects) or SF-271 or equivalent (Outlay Report and Request for Reimbursement for Construction Programs), and
 2. An SF-425 (Federal Financial Report).
- For non-construction projects, you must submit [FAA Form 5100-140, Performance Report](#) within 30 days of the end of the Federal fiscal year.
- For construction projects, you must submit [FAA Form 5370-1, Construction Progress and Inspection Report](#), within 30 days of the end of each Federal fiscal quarter.

Audit Requirements. As a condition of receiving Federal assistance under this award, you must comply with audit requirements as established under 2 CFR Part 200. Subpart F requires non-Federal entities that expend \$750,000 or more in Federal awards to conduct a single or program specific audit for that year. Note that this includes Federal expenditures made under other Federal-assistance programs. Please take appropriate and necessary action to ensure your organization will comply with applicable audit requirements and standards.

Closeout. Once the project(s) is completed and all costs are determined, we ask that you work with your FAA contact indicated below to close the project without delay and submit the necessary final closeout documentation as required by your Region/Airports District Office.

FAA Contact Information. Marlon Pena, (734) 229-2909, Marlon.Pena@faa.gov, is the assigned program manager for this grant and is readily available to assist you and your designated representative with the requirements stated herein.

We sincerely value your cooperation in these efforts and look forward to working with you to complete this important project.

Sincerely,


Stephanie R. Swann (Aug 22, 2024 13:42 EDT)

Stephanie R. Swann
Deputy Manager, Detroit Airports District Office



U.S. Department
of Transportation
Federal Aviation
Administration

**FY 2024 AIRPORT INFRASTRUCTURE GRANT
AVIATION STATE BLOCK GRANT PROGRAM
GRANT AGREEMENT
Part I - Offer**

Federal Award Offer Date	August 22, 2024
Block Grant Number	
Airport Infrastructure Grant Number	3-26-SBGP-180-2024
Unique Entity Identifier	TRR5GXJJ9254
TO:	State of Michigan (herein called the "State")

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the FAA has entered into a State Block Grant Program (SBGP) Memorandum of Agreement (MOA) with the State for the administration of Airport Infrastructure Grant (AIG) funds for airport planning, development, and noise program implementation projects conforming to Public Law (117-58), as permitted under 49 U.S.C. § 47128 at non-primary airports in the State (covered airports);

WHEREAS, the State, as an approved SBGP participant, has the administrative responsibility to administer AIG Funds for Sponsors of covered airports;

WHEREAS, the State has submitted to the FAA a Block Grant Project Application dated 06/14/2024, for a Grant of Federal funds at or associated Michigan State Block Grant Program Airport, which is a covered airport in Michigan and is included as part of this AIG State Block Grant Agreement (Grant Agreement);

WHEREAS, the FAA has made a Grant Offer and the State has accepted the terms of FAA's Grant Offer;

WHEREAS, in consideration of the promises, representations and assurances provided by the State, the FAA has approved the State Block Grant Project Application to provide AIG Grant funds (herein called the "Grant") to the State for eligible and justified projects (herein called the "Projects") for the following covered airports:

Non-Primary Development under the State Block Grant Program to Update Airport Master Plan (including ALP, Exhibit A and AGIS Survey) at the Kirsch Municipal Airport (IRS), Sturgis, MI.

NOW THEREFORE, Pursuant to and for the purpose of carrying out the Infrastructure Investment and Jobs Act (Public Law 117-58, Division J, Title VIII) of 2021 referred to as the Bipartisan Infrastructure Law

(BIL); and the representations contained in the State Block Grant Project Application for AIG Funds; and in consideration of:

- (a) the State's acceptance of this Offer;
- (b) the State's participation in the SBGP;
- (c) the Sponsor's adoption and ratification of the Grant Assurances attached hereto; and
- (d) the benefits to accrue to the United States and the public from the accomplishment of the Projects at the covered airports and compliance with the Grant Assurances, terms, and conditions as herein provided;

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay (90)% of the allowable costs incurred accomplishing the Project as the United States share of the Project.

Assistance Listings Number (Formerly CFDA Number): 20.106

This Offer is made on and SUBJECT TO THE FOLLOWING TERMS AND CONDITIONS:

CONDITIONS

1. **Maximum Obligation.** The maximum obligation of the United States payable under this Offer is \$299,507.

The following amounts represent a breakdown of the maximum obligation for the purpose of establishing allowable amounts for any future grant amendment, which may increase the foregoing maximum obligation of the United States under the provisions of 49 U.S.C. § 47108(b):

\$299,507 for planning

\$0 for airport development or noise program implementation; and,

\$0 for land acquisition.

2. **Grant Performance.** This Grant Agreement is subject to the following federal award requirements:

a. Period of Performance:

1. Shall start on the date the State formally accepts this Agreement and is the date signed by the last State signatory to the Agreement. The end date of the Period of Performance is 4 years (1,460 calendar days) from the date of acceptance. The Period of Performance end date shall not affect, relieve, or reduce State obligations and assurances that extend beyond the closeout of this Grant Agreement.
2. Means the total estimated time interval between the start of an initial Federal award and the planned end date, which may include one or more funded portions or Budget Periods (2 Code of Federal Regulations (CFR) § 200.1).
3. All subgrants issued by the State to covered airports under this State Block Grant Agreement shall be subject to the Period of Performance defined in this Agreement.

b. Budget Period:

1. For this Grant is 4 years (1,460 calendar days) and follows the same start and end date as the Period of Performance provided in paragraph 2(a)(1). Pursuant to 2 CFR § 200.403(h), a sponsor may charge to the Grant only allowable costs incurred during the Budget Period. Eligible project-related costs incurred on or after November 15, 2021, that comply with all Federal funding procurement requirements and FAA standards are allowable costs.

2. Means the time interval from the start date of a funded portion of an award to the end date of that funded portion during which the Sponsor is authorized to expend the funds awarded, including any funds carried forward or other revisions pursuant to 2 CFR § 200.308.
 3. All subgrants issued by the State to covered airports under this State Block Grant Agreement shall be subject to the Budget Period defined in this Agreement.
- c. **Close Out and Termination:**
1. Unless the FAA authorizes a written extension, the State or Sponsor, as applicable, must submit all Grant closeout documentation and liquidate (pay-off) all obligations incurred under this award no later than 120 calendar days after the end date of the Period of Performance. If the State or Sponsor, as applicable, does not submit all required closeout documentation within this time period, the FAA will proceed to close out the grant within one year of the Period of Performance end date with the information available at the end of 120 days. (2 CFR § 200.344).
 2. The FAA may terminate this Grant, in whole or in part, in accordance with the conditions set forth in 2 CFR § 200.340, or other Federal regulatory or statutory authorities as applicable.
3. **Requirements for Subgrants.** The State must incorporate all Federal contract provisions that apply to a Project funded with AIG funds, including but not limited to the following in all subgrants issued to Sponsors under this State Block Grant and require compliance by the Sponsors of the covered airports included in this State Block Grant Agreement:
- a. The terms and conditions attached to this Grant Agreement, including the Aviation State Block Grant Program Assurances;
 - b. At least one of the following, as applicable:
 1. Assurances: Airport Sponsors (Bipartisan Infrastructure Law), or
 2. Assurances: Non-Airport Sponsors Undertaking Noise Compatibility Program Projects (May 2022), or
 3. Assurances: Planning Agency (May 2022); and
 - c. All information required by 2 CFR § 200.332.
4. **Airport Infrastructure Grant Funds.** \$299,507 of the total maximum obligation identified in Condition No. 1, Maximum Obligation, of this Grant Agreement are apportioned under Public Law 117-58, Division J, Title VIII.

The State understands and agrees that these funds will be used at the locations and in the amounts listed below for eligible and justified projects as determined by the State's priority rankings, provided the projects are permitted by Public Law 117-58, Division J, Title VIII:

Non-Primary Development under the State Block Grant Program to Update Airport Master Plan (including ALP, Exhibit A and AGIS Survey) at the Kirsch Municipal Airport (IRS), Sturgis, MI.

Project Amount:

BGA2024 \$159,000.00

BGB2024 \$113,000.00

BGC2024 \$27,507.00

5. **Ineligible or Unallowable Costs.** The State and Sponsor must not include any costs in the projects funded with this Grant that are ineligible or unallowable in accordance with Public Law 117-58, Division J, Title VIII.
6. **Indirect Costs – State and Sponsor.** The State may allow a Sponsor to charge indirect costs under this award by applying the indirect cost rate, as approved by a Federal cognizant agency and as identified in the subgrant, to allowable costs for Sponsor direct salaries and wages that are necessary for carrying out the Projects. The State may charge indirect project costs under this Grant by applying the indirect cost rate identified in the State Block Grant application, as accepted by the FAA, to allowable project specific costs for State direct salaries and wages that are necessary for administering a subgrant project.
7. **Determining the Final Federal Share of Costs.** The United States' share of allowable project costs will be made in accordance with 49 U.S.C. § 47109, the regulations, policies, and procedures of the Secretary of Transportation ("Secretary"), and any superseding legislation. Final determination of the United States' share will be based upon the final audit of the total amount of allowable project costs and settlement will be made for any upward or downward adjustments to the Federal share of costs.
8. **Completing the Project without Delay and In Conformance with Requirements.** The State must assure, and must require the Sponsor to assure, that projects are carried out and completed without undue delays and in accordance with this Agreement, BIL (Public Law 117-58), the regulations, and the Secretary's policies and procedures. Per 2 CFR § 200.308, the State agrees, and will require Sponsors agree, to report and request prior approval from the State or FAA any disengagement from funding eligible expenses under the Grant and subgrants that exceed three months or a 25 percent reduction in time devoted to the project. The report must include a reason for the stoppage. The State agrees, and will require Sponsors agree, to comply with the attached assurances, which are part of this Agreement. These assurances, conditions, and any addendums apply to subgrants issued under this Grant as provided for in paragraph 3(b).
9. **Amendments or Withdrawals before Grant Acceptance.** The FAA reserves the right to amend or withdraw this offer at any time prior to its acceptance by the State.
10. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the projects unless this offer has been accepted by the State on or before September 6, 2024, or such subsequent date as may be prescribed in writing by the FAA.
11. **Improper Use of Federal Funds.** The State and Sponsor must take all steps, including litigation if necessary, to recover Federal funds spent fraudulently, wastefully, or in violation of Federal antitrust statutes, or misused in any other manner for any projects upon which Federal funds have been expended. For the purposes of this Grant Agreement, the term "Federal funds" means funds however used or dispersed by the State or Sponsor, that were originally paid pursuant to this or any other Federal grant agreement(s). The State must obtain the approval of the Secretary as to any determination of the amount of the Federal share of such funds. The State and Sponsor, as

applicable, must return the recovered Federal share, including funds recovered by settlement, order, or judgment, to the Secretary. The State and Sponsor, as applicable, must furnish to the Secretary, upon request, all documents and records pertaining to the determination of the amount of the Federal share or to any settlement, litigation, negotiation, or other efforts taken to recover such funds. All settlements or other final positions of the State and Sponsor, in court or otherwise, involving the recovery of such Federal share require advance approval by the Secretary.

12. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons that may arise from, or be incident to, compliance with this Grant Agreement or subgrants, including, but not limited to, any action taken by a State and Sponsor related to or arising from, directly or indirectly, this Grant Agreement.
13. **System for Award Management (SAM) Registration and Unique Entity Identifier (UEI).**
 - a. Requirement for System for Award Management (SAM): Unless the State or Sponsor is exempted from this requirement under 2 CFR § 25.110, the State and Sponsor must maintain the currency of its information in SAM until the State submits the final financial report required under this Grant or receives the final payment, whichever is later. This requires that the State review and update, and will require the Sponsor review and update, the information at least annually after the initial registration and more frequently if required by changes in information or another award term. Additional information about registration procedures may be found at the SAM website (currently at <http://www.sam.gov>).
 - b. Unique entity identifier (UEI) means a 12-character alpha-numeric value used to identify a specific commercial, nonprofit or governmental entity. A UEI may be obtained from SAM.gov at <https://sam.gov/content/entity-registration>.
14. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the State must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.
15. **Informal Letter Amendment of BIL Projects.** If, during the life of the project, the FAA or the State determines that the maximum grant obligation of the United States exceeds the expected needs of the State or Sponsor, as applicable, by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the State unilaterally reducing the maximum obligation.

The FAA can, subject to the availability of funds, issue a letter to the State increasing the maximum obligation if there is an overrun in the total actual eligible and allowable project costs to cover the amount of the overrun provided it will not exceed the statutory limitations for grant amendments. The FAA's authority to increase the maximum obligation does not apply to the "planning" component of Condition No. 1, Maximum Obligation.

The FAA can also issue an informal letter amendment that modifies the grant description to correct administrative errors or to delete work items if the FAA finds it advantageous and in the best interests of the United States.

An informal letter amendment has the same force and effect as a formal grant amendment.
16. **Environmental Standards.** The State and Sponsor are required to comply with all applicable environmental standards, as further defined in the Grant Assurances, for all projects in this grant. If the State or Sponsor fails to comply with this requirement, the FAA or State, as applicable, may suspend, cancel, or terminate this Grant Agreement.

17. **Financial Reporting and Payment Requirements.** The State and Sponsor will comply with all Federal financial reporting requirements and payment requirements, including submittal of timely and accurate reports.
18. **Buy American.** Unless otherwise approved in advance by the FAA, in accordance with 49 U.S.C. § 50101, the State and Sponsor will not acquire or permit any contractor or subcontractor to acquire any steel or manufactured goods produced outside the United States to be used for any project for which funds are provided under this Grant. The State and Sponsor will include a provision implementing Buy American in every contract and subcontract awarded under this Grant.
19. **Build America, Buy America.** The Sponsor must comply with the requirements under the Build America, Buy America Act (Public Law 117-58).
20. **Maximum Obligation Increase.** In accordance with 49 U.S.C. § 47108(b)(3), as amended, the maximum obligation of the United States, as stated in Condition No. 1, Maximum Obligation, of this Grant:
 - a. May not be increased for a planning project;
 - b. May be increased by not more than 15 percent for development projects if funds are available;
 - c. May be increased by not more than the greater of the following for a land project if funds are available:
 1. 15 percent; or
 2. 25 percent of the total increase in allowable project costs attributable to acquiring an interest in the land.

If the State or Sponsor requests an increase, any eligible increase in funding will be subject to the United States Government share as provided in BIL (Public Law 117-58), or other superseding legislation if applicable, for the fiscal year appropriation with which the increase is funded. The FAA is not responsible for the same Federal share provided under the original terms of this Grant for any amount increased over the initial grant amount. The FAA may adjust the Federal share as applicable through an informal letter of amendment.

21. **Audits for Sponsors.**

PUBLIC SPONSORS. The Sponsor must provide for a Single Audit or program-specific audit in accordance with 2 CFR Part 200. The Sponsor must submit the audit reporting package to the Federal Audit Clearinghouse on the Federal Audit Clearinghouse's Internet Data Entry System at <http://harvester.census.gov/facweb/>. Upon request of the FAA, the Sponsor shall provide one copy of the completed audit to the FAA. Sponsors that expend less than \$750,000 in Federal awards and are exempt from Federal audit requirements must make records available for review or audit by the appropriate Federal agency officials, State, and Government Accountability Office. The FAA and other appropriate Federal agencies may request additional information to meet all Federal audit requirements.

22. **Suspension or Debarment.** The State must:

- a. Immediately disclose to the FAA whenever the State:
 1. Learns a Sponsor has entered into a covered transaction with an ineligible entity; or
 2. Suspends or debars a contractor, person, or entity.

- b. Include a provision in all subgrants that requires Sponsors entering into “covered transactions”, as defined by 2 CFR § 180.200, to:
 - 1. Verify the non-Federal entity is eligible to participate in this Federal program by:
 - i. Checking the Responsibility/Qualification records in the Federal Awardee Performance and Integrity Information System (FAPIS) as maintained within the System for Award Management (SAM) to determine if the non-Federal entity is excluded or disqualified; or
 - ii. Collecting a certification statement from the non-Federal entity attesting they are not excluded or disqualified from participating; or
 - iii. Adding a clause or condition to covered transactions attesting the individual or firm are not excluded or disqualified from participating.
 - 2. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions with their contractors and sub-contractors.
- c. The State must also insert this clause on suspension or debarment in all subgrants, contracts, and subcontracts that result from this Grant.

23. Ban on Texting While Driving.

- a. In accordance with Executive Order 13513, Federal Leadership on Reducing Text Messaging While Driving, October 1, 2009, and DOT Order 3902.10, Text Messaging While Driving, December 30, 2009, the State and Sponsors are encouraged to:
 - 1. Adopt and enforce workplace safety policies to decrease crashes caused by distracted drivers including policies to ban text messaging while driving when performing any work for, or on behalf of, the Federal government, including work relating to a grant or subgrant.
 - 2. Conduct workplace safety initiatives in a manner commensurate with the size of the business, such as:
 - i. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - ii. Education, awareness, and other outreach to employees about the safety risks associated with texting while driving.
- b. The State must insert this clause on banning texting while driving in all subgrants, contracts, and subcontracts that result from this Grant.

24. Trafficking in Persons.

- a. *Posting of contact information.*
 - 1. The State and Sponsor, as applicable, must post the contact information of the national human trafficking hotline (including options to reach out to the hotline such as through phone, text, or TTY) in all public airport restrooms.
- b. *Provisions applicable to a recipient that is a private entity.*
 - 1. You as the recipient, your employees, subrecipients under this Grant, and subrecipients' employees may not:

- i. Engage in severe forms of trafficking in persons during the period of time that the Grant and applicable conditions are in effect;
 - ii. Procure a commercial sex act during the period of time that the Grant and applicable conditions are in effect; or
 - iii. Use forced labor in the performance of the Grant or any subgrants under this Grant.
- 2. We as the Federal awarding agency, may unilaterally terminate this Grant, without penalty, if you or a subrecipient that is a private entity –
 - i. Is determined to have violated a prohibition in paragraph (b) of this Grant Condition; or
 - ii. Has an employee who is determined by the agency official authorized to terminate the Grant to have violated a prohibition in paragraph (b) of this Grant Condition through conduct that is either –
 - . Associated with performance under this Grant; or
 - . Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR Part 1200.
- c. *Provision applicable to a recipient other than a private entity.* We as the Federal awarding agency may unilaterally terminate this Grant, without penalty, if a subrecipient that is a private entity –
 - 1. Is determined to have violated an applicable prohibition in paragraph (a) of this Grant Condition; or
 - 2. Has an employee who is determined by the agency official authorized to terminate the Grant to have violated an applicable prohibition in paragraph (a) of this Grant Condition through conduct that is either –
 - i. Associated with performance under this Grant; or
 - ii. Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR Part 180, “OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement),” as implemented by our agency at 2 CFR Part 1200.
- d. *Provisions applicable to any recipient.*
 - 1. You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph (a) of this Grant Condition.
 - 2. Our right to terminate unilaterally that is described in paragraph (a) or (b) of this Grant Condition:
 - i. Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended [22 U.S.C. § 7104(g)], and
 - ii. Is in addition to all other remedies for noncompliance that are available to us under this Grant.
 - 3. You must include the requirements of paragraph (a) of this Grant Condition in any subgrant you make to a private entity.

e. *Definitions.* For purposes of this Grant Condition:

1. "Employee" means either:
 - i. An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this Grant; or
 - ii. Another person engaged in the performance of the project or program under this Grant and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.
2. "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.
3. "Private entity":
 - i. Means any entity other than a State, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR § 175.25.
 - ii. Includes:
 - . A nonprofit organization, including any nonprofit institute of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR § 175.25(b).
 - . A for-profit organization.
4. "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. § 7102).

25. **Exhibit "A" Property Map.** The State and Sponsor will ensure that any airport receiving funding under this Block Grant has a current Exhibit "A" Property Map incorporated by reference or has submitted a current Exhibit "A" Property Map with their request for funding to the State.

26. **Employee Protection from Reprisals.**

- a. **Prohibition of Reprisals.**
 1. In accordance with 41 U.S.C. § 4712, an employee of a State, Sponsor, grantee, subgrantee, contractor, or subcontractor may not be discharged, demoted, or otherwise discriminated against as a reprisal for disclosing to a person or body described in subparagraph (a)(2), information that the employee reasonably believes is evidence of:
 - i. Gross mismanagement of a Federal grant;
 - ii. Gross waste of Federal funds;
 - iii. An abuse of authority relating to implementation or use of Federal funds;
 - iv. A substantial and specific danger to public health or safety; or
 - v. A violation of law, rule, or regulation related to a Federal grant.
 2. **Persons and bodies covered.** The persons and bodies to which a disclosure by an employee is covered are as follows:

- i. A member of Congress or a representative of a committee of Congress;
 - ii. An Inspector General;
 - iii. The Government Accountability Office;
 - iv. A Federal employee responsible for contract or grant oversight or management at the relevant agency;
 - v. A court or grand jury;
 - vi. A management official or other employee of the Sponsor, contractor, or subcontractor who has the responsibility to investigate, discover, or address misconduct; or
 - vii. An authorized official of the Department of Justice or other law enforcement agency.
- b. **Investigation of Complaints.**
- 1. **Submission of Complaint.** A person who believes that they have been subjected to a reprisal prohibited by paragraph (a) of this Condition may submit a complaint regarding the reprisal to the Office of Inspector General (OIG) for the U.S. Department of Transportation.
 - 2. **Time Limitation for Submittal of a Complaint.** A complaint may not be brought under this subsection more than three years after the date on which the alleged reprisal took place.
 - 3. **Required Actions of the Inspector General.** Actions, limitations, and exceptions of the Inspector General's office are established under 41 U.S.C. § 4712(b).
- c. **Remedy and Enforcement Authority.**
- 1. **Assumption of Rights to Civil Remedy.** Upon receipt of an explanation of a decision not to conduct or continue an investigation by the Office of Inspector General, the person submitting a complaint assumes the right to a civil remedy under 41 U.S.C. § 4712(c)(2).
- d. The State must insert this clause on employee protection from reprisal in all subgrants that result from this Grant Agreement.
27. **Co-Sponsor.** If the State awards a subgrant to an airport with more than one Sponsor, the State will require all the Co-Sponsors to understand and agree that they jointly and severally adopt and ratify the representations and assurances contained therein and that the word "Sponsor" as used in the application and other assurances is deemed to include all Co-Sponsors.
28. **Reporting Subgrants and Executive Compensation.**
- a. **State Reporting Requirements of Subgrants.**
 - 1. In accordance with the Federal Funding Accountability and Transparency Act (Public Law 109-282, as amended by section 6202(a) of Public Law 110-252), the State must report each action that obligates, per 2 CFR § 170.220, \$30,000 or more in Federal funds for a subgrant to a subgrant recipient (subrecipient) unless the State is exempt. More information can be found at 17 CFR § 229.402(c)(2).
 - 2. The State must report each subgrant to <http://www.fsrs.gov>.
 - 3. The State must report the subgrant information no later than the end of the month following the month in which the obligation (the subgrant) was made. For example, if the subgrant was made on November 7, 2024, the subgrant must be reported by no later than December 31, 2024.

4. The State must report the information about each obligating action specified in the submission instructions posted at <http://www.fsrs.gov>.
- b. State Reporting Total Compensation of State Executives.
 1. The State must report total compensation for each of its five most highly compensated executives for the preceding completed fiscal year, if:
 - i. The total Federal funding authorized to date under this grant is \$30,000 or more;
 - ii. In the preceding fiscal year, the State received:
 - a) 80 percent or more of the annual gross revenues from Federal grants, procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320; and
 - b) \$25,000,000 or more in annual gross revenues from Federal grants, Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320; and
 - iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.
 2. The State must report its executive total compensation:
 - i. As part of the State's registration profile at <http://www.sam.gov>.
 - ii. By the end of the month following the month in which this award is made, and annually thereafter.
- c. State Reporting of Subrecipient Executive Total Compensation.
 1. Unless the Subrecipient is exempt, the State must report the names and total compensation of each of its subrecipient's five most highly compensated executives for each subrecipient in the preceding completed fiscal year, if:
 - i. In the subrecipient's preceding fiscal year, the subrecipient received:
 - a) 80 percent or more of its annual gross revenues from subgrants, Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR § 170.320; and
 - b) \$25,000,000 or more in annual gross revenues from subgrants, Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act; and
 - c) The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. §§ 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.

2. The subrecipient must report subrecipient executive total compensation:
 - i. To the State.
 - ii. By the end of the month following the month during which the State makes the subgrant. For example, if a subgrant is obligated on any date during the month of October of a given year (i.e., between October 1 and 31), the subrecipient must report any required compensation information of the subrecipient by November 30 of that year.
- d. Exemptions. If, in the previous tax year, the State or subrecipient had gross income, from all sources, under \$300,000, it is exempt from the requirements to report:
 1. Subgrants, and
 2. The total compensation of the five most highly compensated executives of any subrecipient.
29. **Prohibited Telecommunications and Video Surveillance Services and Equipment.** The State or Sponsor, as applicable, agree to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [Public Law 115-232 § 889(f)(1)] and 2 CFR § 200.216.
30. **Title VI of the Civil Rights Act.** As a condition of a grant award, the State and Sponsor, as applicable, shall demonstrate that it complies with the provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. §§ 2000d et seq) and implementing regulations (49 CFR part 21), the Airport and Airway Improvement Act of 1982 (49 U.S.C. § 47123), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794 et seq.), the Americans with Disabilities Act of 1990 (42 U.S.C. § 12101, et seq.), U.S. Department of Transportation and Federal Aviation Administration (FAA) Assurances, and other relevant civil rights statutes, regulations, or authorities. This may include, as applicable, providing a current Title VI Program Plan and a Community Participation Plan (alternatively may be called a Public Participation Plan) to the FAA for approval, in the format and according to the timeline required by the FAA, and other information about the communities that will be benefited and impacted by the project. A completed FAA Title VI Pre-Grant Award Checklist is also required for every grant application, unless excused by the FAA. The State and Sponsor, if applicable, shall affirmatively ensure that when carrying out any project supported by this grant that it complies with all federal nondiscrimination and civil rights laws based on race, color, national origin (including limited English proficiency), sex (including sexual orientation and gender identity), creed, age, disability, genetic information, or environmental justice in consideration for federal financial assistance. The State and Sponsor, if applicable, who have not sufficiently demonstrated the conditions of compliance with civil rights requirements will be required to do so before receiving funds. The Department's and FAA's Office of Civil Rights may provide resources and technical assistance to recipients to ensure full and sustainable compliance with Federal civil rights requirements. Failure to comply with civil rights requirements will be considered a violation of the agreement or contract and be subject to any enforcement action as authorized by law.

SPECIAL CONDITIONS

31. **Environmental.** The environmental approval for this project was issued on 04/02/2024
32. **Master Plan Coordination.** The State and Sponsor agree to coordinate this master planning study with metropolitan planning organizations, other local planning agencies, and with the State Airport System Plan prepared by the State's Department of Transportation and consider any pertinent information, data, projections, and forecasts which are currently available or as will become available. The State and Sponsor agree to consider any State Clearinghouse comments and to furnish a copy of the final report to the State's Department of Transportation.
33. **Airport Layout Plan (ALP) Coordination.** The State or Sponsor has made available to (or will make available to) and has provided (or will provide) upon request to the metropolitan planning organization, if any, in the area in which the airport is located, a copy of the proposed ALP or ALP amendment to depict the project and a copy of any airport master plan in which the project is described or depicted.
34. **Airports Geographic Information System (GIS) Survey.** If the Airport's GIS survey is not reflected in the Airports Data Information Portal (ADIP) meeting FAA requirements within four (4) years from the date of grant execution, then the State or Sponsor may be required to repay that portion of this Grant related to survey work.
35. **Buy American Executive Orders.** The State and Sponsor agree to abide by applicable Executive Orders in effect at the time this Grant Agreement is executed, including Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.
36. **Leaded Fuel.** FAA Reauthorization Act of 2024 (P.L. 118-63) Section 770 "Grant Assurances" requires airports that made 100-octane low lead aviation gasoline (100LL) available, any time during calendar year 2022, to not prohibit or restrict the sale, or self-fueling, of such aviation gasoline. This requirement remains until the earlier of 2030, or the date on which the airport or any retail fuel seller at the airport makes available an FAA-authorized unleaded aviation gasoline replacement for 100LL meeting either an industry consensus standard or other standard that facilitates the safe use, production, and distribution of such unleaded aviation gasoline as deemed appropriate by the Administrator. The Sponsor understands and agrees, that any violations are subject to civil penalties.

The State's acceptance of this Offer and ratification and adoption of the State Block Grant Project Application incorporated herein shall be evidenced by execution of this instrument by the State, as hereinafter provided, and this Offer and Acceptance shall comprise a Grant Agreement, as provided by the Act, constituting the contractual obligations and rights of the United States and the State with respect to the accomplishment of the Projects funded under this Grant and compliance with the Grant Assurances, terms, and conditions as provided herein. Such Grant Agreement will become effective upon the State's acceptance of this Offer.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.¹

Dated: August 22, 2024

**UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION**

Stephanie R. Swann

Stephanie R. Swann (Aug 22, 2024 13:42 EDT)

(Signature)

Stephanie R. Swann

(Typed Name)

Deputy Manager, Detroit ADO

(Title of FAA Official)

¹ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

Part II - Acceptance

The State does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the State Block Grant Application and incorporated materials referred to in the foregoing Offer, and does hereby accept this Offer and by such acceptance agrees to comply with all of the Grant Assurances, terms, and conditions in this Offer and in the State Block Grant Application and other applicable provisions of Federal law.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.²

Executed this day of August 26, 2024

State of Michigan

(Name of Sponsor)

Bryan Budds

Bryan Budds (Aug 26, 2024 12:28 EDT)

(Signature of State's Designated Official Representative)

By: Bryan Budds

(Typed Name of State's Designated Official Representative)

Title: Aeronautics Director

(Title of State's Designated Official Representative)

² Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

CERTIFICATE OF STATE'S ATTORNEY

I, James Shell, acting as Attorney for the State do hereby certify:

That in my opinion the State is empowered to enter into the foregoing State Block Grant Agreement under the laws of the State of Michigan. Further, I have examined the foregoing State Block Grant Agreement and the actions taken by said State and State's official representative has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the said State; the Infrastructure Investment and Jobs Act (Public Law 117-58, Division J, Title VIII) of 2021 referred to as the Bipartisan Infrastructure Law (BIL). In addition, for subgrants awarded under this Grant involving projects to be carried out on property not owned by the State or appropriate Sponsor, there are no legal impediments that will prevent full performance by the State or Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the State in accordance with the terms thereof.

Please read the following information: By signing this document, you are agreeing that you have reviewed the following consumer disclosure information and consent to transact business using electronic communications, to receive notices and disclosures electronically, and to utilize electronic signatures in lieu of using paper documents. You are not required to receive notices and disclosures or sign documents electronically. If you prefer not to do so, you may request to receive paper copies and withdraw your consent at any time.

I declare under penalty of perjury that the foregoing is true and correct.³

Dated this day of August 28, 2024

By: James Shell
 James Shell (Aug 28, 2024 09:13 EDT)
 (Signature of State's Attorney)

³ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. § 1001 (False Statements) and could subject you to fines, imprisonment, or both.

AVIATION STATE BLOCK GRANT PROGRAM ASSURANCES

General

These assurances are required to be submitted as Part III of the three-part application forms by States applying to participate in the State Block Grant Program under Title 49, United States Code, section 47128, and Title 14, Code of Federal Regulations, Part 156. Participating States shall comply with these assurances in the performance of any grant agreement executed as a result of this application.

1. Incorporated in Grant Agreement.

Upon acceptance by the State of the grant offer, these assurances and all assurances, as well as applicable terms and conditions are incorporated in and become part of the Grant Agreement.

2. Federal Requirements.

The State agrees to comply with Federal procedural and other standard requirements for administering the block grant.

3. Program Reporting.

The State agrees to provide the FAA with such program or project information as the DOT Secretary may require, as described in the Agreement and in compliance with 49 U.S.C. Chapters 471 and 475.

4. Obligated to Standard Assurances.

- a. For all projects where the State is the owner of the airport(s), the State shall be obligated to comply with the standard AIP Assurances entitled "Assurances – Airport Sponsors" and "Assurances – Non-airport Sponsors Undertaking Noise Compatibility Program Projects," as appropriate to the individual project. These standard assurances are attached to and become part of these Aviation State Block Grant Program Assurances.
- b. For all projects benefiting an airport owner other than the State, the State shall enter into an agreement with the airport owner. The agreement shall obligate the airport owner, or the State, to comply with each of the attached assurances as well as terms and conditions contained in this agreement that would have been applicable to the airport owner had it applied directly to the FAA for a grant to undertake the project. The agreement shall address the transfer and delegation to the airport owner of State obligations to the FAA, if desired. The agreement and changes thereto must be satisfactory to the Administrator of the FAA.

5. Compliance Responsibilities.

The State shall take steps to enforce agreements for subgrants with each airport owner benefiting from the State Block Grant Program if noncompliance with the terms of the agreement is evident or presented to the State. This compliance responsibility shall be assumed by the FAA at the termination of the State Block Grant Program, or as otherwise agreed to by the State and the FAA.

6. Environmental Responsibilities.

A State that is subject to its own environmental requirements comparable to requirements of the National Environmental Policy Act (NEPA) of 1969 ("NEPA-like," as defined in regulations issued by the U.S. Council on Environmental Quality (CEQ)) shall follow its own requirements. If the State has no such requirements, it shall follow applicable CEQ regulations.

7. State Resources.

The State assures that sufficient funds will be available for that portion of project costs that are not paid by the United States, and that sufficient qualified personnel will be available to carry out its responsibilities under this Grant in a timely manner satisfactory to the FAA.

ASSURANCES

AIRPORT SPONSORS

A. General.

1. These assurances shall be complied with in the performance of grant agreements for airport development, airport planning, and noise compatibility program grants for airport sponsors.
2. These assurances are required to be submitted as part of the project application by sponsors requesting funds under the provisions of Title 49, U.S.C., subtitle VII, as amended. As used herein, the term "public agency sponsor" means a public agency with control of a public-use airport; the term "private sponsor" means a private owner of a public-use airport; and the term "sponsor" includes both public agency sponsors and private sponsors.
3. Upon acceptance of this grant offer by the sponsor, these assurances are incorporated in and become part of this Grant Agreement.

B. Duration and Applicability.

1. **Airport development or Noise Compatibility Program Projects Undertaken by a Public Agency Sponsor.**

The terms, conditions and assurances of this Grant Agreement shall remain in full force and effect throughout the useful life of the facilities developed or equipment acquired for an airport development or noise compatibility program project, or throughout the useful life of the project items installed within a facility under a noise compatibility program project, but in any event not to exceed twenty (20) years from the date of acceptance of a grant offer of Federal funds for the project. However, there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport. There shall be no limit on the duration of the terms, conditions, and assurances with respect to real property acquired with federal funds. Furthermore, the duration of the Civil Rights assurance shall be specified in the assurances.

2. **Airport Development or Noise Compatibility Projects Undertaken by a Private Sponsor.**

The preceding paragraph (1) also applies to a private sponsor except that the useful life of project items installed within a facility or the useful life of the facilities developed or equipment acquired under an airport development or noise compatibility program project shall be no less than ten (10) years from the date of acceptance of Federal aid for the project.

3. **Airport Planning Undertaken by a Sponsor.**

Unless otherwise specified in this Grant Agreement, only Assurances 1, 2, 3, 5, 6, 13, 18, 23, 25, 30, 32, 33, 34, and 37 in Section C apply to planning projects. The terms, conditions, and assurances of this Grant Agreement shall remain in full force and effect during the life of the project; there shall be no limit on the duration of the assurances regarding Exclusive Rights and Airport Revenue so long as the airport is used as an airport.

C. Sponsor Certification.

The sponsor hereby assures and certifies, with respect to this grant that:

1. General Federal Requirements

It will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance, and use of Federal funds for this Grant including but not limited to the following:

FEDERAL LEGISLATION

- a. 49 U.S.C. subtitle VII, as amended.
- b. Davis-Bacon Act, as amended — 40 U.S.C. §§ 3141-3144, 3146, and 3147, et seq.¹
- c. Federal Fair Labor Standards Act — 29 U.S.C. § 201, et seq.
- d. Hatch Act — 5 U.S.C. § 1501, et seq.²
- e. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601, et seq.^{1, 2}
- f. National Historic Preservation Act of 1966 — Section 106 — 54 U.S.C. § 306108.¹
- g. Archeological and Historic Preservation Act of 1974 — 54 U.S.C. § 312501, et seq.¹
- h. Native Americans Grave Repatriation Act — 25 U.S.C. § 3001, et seq.
- i. Clean Air Act, P.L. 90-148, as amended — 42 U.S.C. § 7401, et seq.
- j. Coastal Zone Management Act, P.L. 92-583, as amended — 16 U.S.C. § 1451, et seq.
- k. Flood Disaster Protection Act of 1973 — Section 102(a) - 42 U.S.C. § 4012a.¹
- l. 49 U.S.C. § 303, (formerly known as Section 4(f)).
- m. Rehabilitation Act of 1973 — 29 U.S.C. § 794.
- n. Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin).
- o. Americans with Disabilities Act of 1990, as amended, (42 U.S.C. § 12101 et seq.) (prohibits discrimination on the basis of disability).
- p. Age Discrimination Act of 1975 — 42 U.S.C. § 6101, et seq.
- q. American Indian Religious Freedom Act, P.L. 95-341, as amended.
- r. Architectural Barriers Act of 1968, as amended — 42 U.S.C. § 4151, et seq.¹
- s. Powerplant and Industrial Fuel Use Act of 1978 — Section 403 — 42 U.S.C. § 8373.¹
- t. Contract Work Hours and Safety Standards Act — 40 U.S.C. § 3701, et seq.¹
- u. Copeland Anti-kickback Act — 18 U.S.C. § 874.¹
- v. National Environmental Policy Act of 1969 — 42 U.S.C. § 4321, et seq.¹
- w. Wild and Scenic Rivers Act, P.L. 90-542, as amended — 16 U.S.C. § 1271, et seq.
- x. Single Audit Act of 1984 — 31 U.S.C. § 7501, et seq.²

- y. Drug-Free Workplace Act of 1988 – 41 U.S.C. §§ 8101 through 8105.
- z. The Federal Funding Accountability and Transparency Act of 2006, as amended (P.L. 109-282, as amended by section 6202 of P.L. 110-252).
- aa. Civil Rights Restoration Act of 1987, P.L. 100-259.
- bb. Build America, Buy America Act, P.L. 117-58, Title IX.

EXECUTIVE ORDERS

- a. Executive Order 11246 – Equal Employment Opportunity¹
- b. Executive Order 11990 – Protection of Wetlands
- c. Executive Order 11998 – Flood Plain Management
- d. Executive Order 12372 – Intergovernmental Review of Federal Programs
- e. Executive Order 12699 – Seismic Safety of Federal and Federally Assisted New Building Construction¹
- f. Executive Order 12898 – Environmental Justice
- g. Executive Order 13166 – Improving Access to Services for Persons with Limited English Proficiency
- h. Executive Order 13985 – Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government
- i. Executive Order 13988 – Preventing and Combating Discrimination on the Basis of Gender Identity or Sexual Orientation
- j. Executive Order 14005 – Ensuring the Future is Made in all of America by All of America’s Workers
- k. Executive Order 14008 – Tackling the Climate Crisis at Home and Abroad

FEDERAL REGULATIONS

- a. 2 CFR Part 180 – OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement).
- b. 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. ^{4, 5}
- c. 2 CFR Part 1200 – Nonprocurement Suspension and Debarment.
- d. 14 CFR Part 13 – Investigative and Enforcement Procedures.
- e. 14 CFR Part 16 – Rules of Practice for Federally-Assisted Airport Enforcement Proceedings.
- f. 14 CFR Part 150 – Airport Noise Compatibility Planning.
- g. 28 CFR Part 35 – Nondiscrimination on the Basis of Disability in State and Local Government Services.

- h. 28 CFR § 50.3 – U.S. Department of Justice Guidelines for the Enforcement of Title VI of the Civil Rights Act of 1964.
- i. 29 CFR Part 1 – Procedures for Predetermination of Wage Rates.¹
- j. 29 CFR Part 3 – Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States.¹
- k. 29 CFR Part 5 – Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction (Also Labor Standards Provisions Applicable to Nonconstruction Contracts Subject to the Contract Work Hours and Safety Standards Act).¹
- l. 41 CFR Part 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and Federally-assisted contracting requirements).¹
- m. 49 CFR Part 20 – New Restrictions on Lobbying.
- n. 49 CFR Part 21 – Nondiscrimination in Federally-Assisted Programs of the Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964.
- o. 49 CFR Part 23 – Participation by Disadvantage Business Enterprise in Airport Concessions.
- p. 49 CFR Part 24 – Uniform Relocation Assistance and Real Property Acquisition for Federal and Federally-Assisted Programs.^{1, 2}
- q. 49 CFR Part 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs.
- r. 49 CFR Part 27 – Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance.¹
- s. 49 CFR Part 28 – Enforcement of Nondiscrimination on the Basis of Handicap in Programs or Activities Conducted by the Department of Transportation.
- t. 49 CFR Part 30 – Denial of Public Works Contracts to Suppliers of Goods and Services of Countries That Deny Procurement Market Access to U.S. Contractors.
- u. 49 CFR Part 32 – Governmentwide Requirements for Drug-Free Workplace (Financial Assistance).
- v. 49 CFR Part 37 – Transportation Services for Individuals with Disabilities (ADA).
- w. 49 CFR Part 38 – Americans with Disabilities Act (ADA) Accessibility Specifications for Transportation Vehicles.
- x. 49 CFR Part 41 – Seismic Safety.

FOOTNOTES TO ASSURANCE (C)(1)

¹ These laws do not apply to airport planning sponsors.

² These laws do not apply to private sponsors.

³ 2 CFR Part 200 contains requirements for State and Local Governments receiving Federal assistance. Any requirement levied upon State and Local Governments by this regulation shall apply where applicable to private sponsors receiving Federal assistance under Title 49, United States Code.

⁴ Cost principles established in 2 CFR part 200 subpart E must be used as guidelines for determining the eligibility of specific types of expenses.

- ⁵ Audit requirements established in 2 CFR part 200 subpart F are the guidelines for audits.

SPECIFIC ASSURANCES

Specific assurances required to be included in grant agreements by any of the above laws, regulations or circulars are incorporated by reference in this Grant Agreement.

2. Responsibility and Authority of the Sponsor.

a. Public Agency Sponsor:

It has legal authority to apply for this Grant, and to finance and carry out the proposed project; that a resolution, motion or similar action has been duly adopted or passed as an official act of the applicant's governing body authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the person identified as the official representative of the applicant to act in connection with the application and to provide such additional information as may be required.

b. Private Sponsor:

It has legal authority to apply for this Grant and to finance and carry out the proposed project and comply with all terms, conditions, and assurances of this Grant Agreement. It shall designate an official representative and shall in writing direct and authorize that person to file this application, including all understandings and assurances contained therein; to act in connection with this application; and to provide such additional information as may be required.

3. Sponsor Fund Availability.

It has sufficient funds available for that portion of the project costs which are not to be paid by the United States. It has sufficient funds available to assure operation and maintenance of items funded under this Grant Agreement which it will own or control.

4. Good Title.

- a. It, a public agency or the Federal government, holds good title, satisfactory to the Secretary, to the landing area of the airport or site thereof, or will give assurance satisfactory to the Secretary that good title will be acquired.
- b. For noise compatibility program projects to be carried out on the property of the sponsor, it holds good title satisfactory to the Secretary to that portion of the property upon which Federal funds will be expended or will give assurance to the Secretary that good title will be obtained.

5. Preserving Rights and Powers.

- a. It will not take or permit any action which would operate to deprive it of any of the rights and powers necessary to perform any or all of the terms, conditions, and assurances in this Grant Agreement without the written approval of the Secretary, and will act promptly to acquire, extinguish or modify any outstanding rights or claims of right of others which would interfere with such performance by the sponsor. This shall be done in a manner acceptable to the Secretary.
- b. Subject to the FAA Act of 2018, Public Law 115-254, Section 163, it will not sell, lease, encumber, or otherwise transfer or dispose of any part of its title or other interests in the property shown on Exhibit A to this application or, for a noise compatibility program project,

that portion of the property upon which Federal funds have been expended, for the duration of the terms, conditions, and assurances in this Grant Agreement without approval by the Secretary. If the transferee is found by the Secretary to be eligible under Title 49, United States Code, to assume the obligations of this Grant Agreement and to have the power, authority, and financial resources to carry out all such obligations, the sponsor shall insert in the contract or document transferring or disposing of the sponsor's interest, and make binding upon the transferee all of the terms, conditions, and assurances contained in this Grant Agreement.

- c. For all noise compatibility program projects which are to be carried out by another unit of local government or are on property owned by a unit of local government other than the sponsor, it will enter into an agreement with that government. Except as otherwise specified by the Secretary, that agreement shall obligate that government to the same terms, conditions, and assurances that would be applicable to it if it applied directly to the FAA for a grant to undertake the noise compatibility program project. That agreement and changes thereto must be satisfactory to the Secretary. It will take steps to enforce this agreement against the local government if there is substantial non-compliance with the terms of the agreement.
- d. For noise compatibility program projects to be carried out on privately owned property, it will enter into an agreement with the owner of that property which includes provisions specified by the Secretary. It will take steps to enforce this agreement against the property owner whenever there is substantial non-compliance with the terms of the agreement.
- e. If the sponsor is a private sponsor, it will take steps satisfactory to the Secretary to ensure that the airport will continue to function as a public-use airport in accordance with these assurances for the duration of these assurances.
- f. If an arrangement is made for management and operation of the airport by any agency or person other than the sponsor or an employee of the sponsor, the sponsor will reserve sufficient rights and authority to ensure that the airport will be operated and maintained in accordance with Title 49, United States Code, the regulations and the terms, conditions and assurances in this Grant Agreement and shall ensure that such arrangement also requires compliance therewith.
- g. Sponsors of commercial service airports will not permit or enter into any arrangement that results in permission for the owner or tenant of a property used as a residence, or zoned for residential use, to taxi an aircraft between that property and any location on airport. Sponsors of general aviation airports entering into any arrangement that results in permission for the owner of residential real property adjacent to or near the airport must comply with the requirements of Sec. 136 of Public Law 112-95 and the sponsor assurances.

6. Consistency with Local Plans.

The project is reasonably consistent with plans (existing at the time of submission of this application) of public agencies that are authorized by the State in which the project is located to plan for the development of the area surrounding the airport.

7. Consideration of Local Interest.

It has given fair consideration to the interest of communities in or near where the project may be located.

8. Consultation with Users.

In making a decision to undertake any airport development project under Title 49, United States Code, it has undertaken reasonable consultations with affected parties using the airport at which project is proposed.

9. Public Hearings.

In projects involving the location of an airport, an airport runway, or a major runway extension, it has afforded the opportunity for public hearings for the purpose of considering the economic, social, and environmental effects of the airport or runway location and its consistency with goals and objectives of such planning as has been carried out by the community and it shall, when requested by the Secretary, submit a copy of the transcript of such hearings to the Secretary. Further, for such projects, it has on its management board either voting representation from the communities where the project is located or has advised the communities that they have the right to petition the Secretary concerning a proposed project.

10. Metropolitan Planning Organization.

In projects involving the location of an airport, an airport runway, or a major runway extension at a medium or large hub airport, the sponsor has made available to and has provided upon request to the metropolitan planning organization in the area in which the airport is located, if any, a copy of the proposed amendment to the airport layout plan to depict the project and a copy of any airport master plan in which the project is described or depicted.

11. Pavement Preventive Maintenance-Management.

With respect to a project approved after January 1, 1995, for the replacement or reconstruction of pavement at the airport, it assures or certifies that it has implemented an effective airport pavement maintenance-management program and it assures that it will use such program for the useful life of any pavement constructed, reconstructed or repaired with Federal financial assistance at the airport. It will provide such reports on pavement condition and pavement management programs as the Secretary determines may be useful.

12. Terminal Development Prerequisites.

For projects which include terminal development at a public use airport, as defined in Title 49, it has, on the date of submittal of the project grant application, all the safety equipment required for certification of such airport under 49 U.S.C. § 44706, and all the security equipment required by rule or regulation, and has provided for access to the passenger enplaning and deplaning area of such airport to passengers enplaning and deplaning from aircraft other than air carrier aircraft.

13. Accounting System, Audit, and Record Keeping Requirements.

- a. It shall keep all project accounts and records which fully disclose the amount and disposition by the recipient of the proceeds of this Grant, the total cost of the project in connection with which this Grant is given or used, and the amount or nature of that portion of the cost of the project supplied by other sources, and such other financial records pertinent to the project. The accounts and records shall be kept in accordance with an accounting system that will facilitate an effective audit in accordance with the Single Audit Act of 1984.
- b. It shall make available to the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, for the purpose of audit and examination, any books, documents, papers, and records of the recipient that are pertinent to this Grant. The

Secretary may require that an appropriate audit be conducted by a recipient. In any case in which an independent audit is made of the accounts of a sponsor relating to the disposition of the proceeds of a grant or relating to the project in connection with which this Grant was given or used, it shall file a certified copy of such audit with the Comptroller General of the United States not later than six (6) months following the close of the fiscal year for which the audit was made.

14. Minimum Wage Rates.

It shall include, in all contracts in excess of \$2,000 for work on any projects funded under this Grant Agreement which involve labor, provisions establishing minimum rates of wages, to be predetermined by the Secretary of Labor under 40 U.S.C. §§ 3141-3144, 3146, and 3147, Public Building, Property, and Works), which contractors shall pay to skilled and unskilled labor, and such minimum rates shall be stated in the invitation for bids and shall be included in proposals or bids for the work.

15. Veteran's Preference.

It shall include in all contracts for work on any project funded under this Grant Agreement which involve labor, such provisions as are necessary to insure that, in the employment of labor (except in executive, administrative, and supervisory positions), preference shall be given to Vietnam era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns owned and controlled by disabled veterans as defined in 49 U.S.C. § 47112. However, this preference shall apply only where the individuals are available and qualified to perform the work to which the employment relates.

16. Conformity to Plans and Specifications.

It will execute the project subject to plans, specifications, and schedules approved by the Secretary. Such plans, specifications, and schedules shall be submitted to the Secretary prior to commencement of site preparation, construction, or other performance under this Grant Agreement, and, upon approval of the Secretary, shall be incorporated into this Grant Agreement. Any modification to the approved plans, specifications, and schedules shall also be subject to approval of the Secretary, and incorporated into this Grant Agreement.

17. Construction Inspection and Approval.

It will provide and maintain competent technical supervision at the construction site throughout the project to assure that the work conforms to the plans, specifications, and schedules approved by the Secretary for the project. It shall subject the construction work on any project contained in an approved project application to inspection and approval by the Secretary and such work shall be in accordance with regulations and procedures prescribed by the Secretary. Such regulations and procedures shall require such cost and progress reporting by the sponsor or sponsors of such project as the Secretary shall deem necessary.

18. Planning Projects.

In carrying out planning projects:

- a. It will execute the project in accordance with the approved program narrative contained in the project application or with the modifications similarly approved.
- b. It will furnish the Secretary with such periodic reports as required pertaining to the planning project and planning work activities.

- c. It will include in all published material prepared in connection with the planning project a notice that the material was prepared under a grant provided by the United States.
- d. It will make such material available for examination by the public, and agrees that no material prepared with funds under this project shall be subject to copyright in the United States or any other country.
- e. It will give the Secretary unrestricted authority to publish, disclose, distribute, and otherwise use any of the material prepared in connection with this grant.
- f. It will grant the Secretary the right to disapprove the sponsor's employment of specific consultants and their subcontractors to do all or any part of this project as well as the right to disapprove the proposed scope and cost of professional services.
- g. It will grant the Secretary the right to disapprove the use of the sponsor's employees to do all or any part of the project.
- h. It understands and agrees that the Secretary's approval of this project grant or the Secretary's approval of any planning material developed as part of this grant does not constitute or imply any assurance or commitment on the part of the Secretary to approve any pending or future application for a Federal airport grant.

19. Operation and Maintenance.

- a. The airport and all facilities which are necessary to serve the aeronautical users of the airport, other than facilities owned or controlled by the United States, shall be operated at all times in a safe and serviceable condition and in accordance with the minimum standards as may be required or prescribed by applicable Federal, state, and local agencies for maintenance and operation. It will not cause or permit any activity or action thereon which would interfere with its use for airport purposes. It will suitably operate and maintain the airport and all facilities thereon or connected therewith, with due regard to climatic and flood conditions. Any proposal to temporarily close the airport for non-aeronautical purposes must first be approved by the Secretary. In furtherance of this assurance, the sponsor will have in effect arrangements for:
 - 1. Operating the airport's aeronautical facilities whenever required;
 - 2. Promptly marking and lighting hazards resulting from airport conditions, including temporary conditions; and
 - 3. Promptly notifying pilots of any condition affecting aeronautical use of the airport. Nothing contained herein shall be construed to require that the airport be operated for aeronautical use during temporary periods when snow, flood, or other climatic conditions interfere with such operation and maintenance. Further, nothing herein shall be construed as requiring the maintenance, repair, restoration, or replacement of any structure or facility which is substantially damaged or destroyed due to an act of God or other condition or circumstance beyond the control of the sponsor.
- b. It will suitably operate and maintain noise compatibility program items that it owns or controls upon which Federal funds have been expended.

20. Hazard Removal and Mitigation.

It will take appropriate action to assure that such terminal airspace as is required to protect instrument and visual operations to the airport (including established minimum flight altitudes) will be adequately cleared and protected by removing, lowering, relocating, marking, or lighting or

otherwise mitigating existing airport hazards and by preventing the establishment or creation of future airport hazards.

21. Compatible Land Use.

It will take appropriate action, to the extent reasonable, including the adoption of zoning laws, to restrict the use of land adjacent to or in the immediate vicinity of the airport to activities and purposes compatible with normal airport operations, including landing and takeoff of aircraft. In addition, if the project is for noise compatibility program implementation, it will not cause or permit any change in land use, within its jurisdiction, that will reduce its compatibility, with respect to the airport, of the noise compatibility program measures upon which Federal funds have been expended.

22. Economic Nondiscrimination.

- a. It will make the airport available as an airport for public use on reasonable terms and without unjust discrimination to all types, kinds and classes of aeronautical activities, including commercial aeronautical activities offering services to the public at the airport.
- b. In any agreement, contract, lease, or other arrangement under which a right or privilege at the airport is granted to any person, firm, or corporation to conduct or to engage in any aeronautical activity for furnishing services to the public at the airport, the sponsor will insert and enforce provisions requiring the contractor to:
 1. Furnish said services on a reasonable, and not unjustly discriminatory, basis to all users thereof, and
 2. Charge reasonable, and not unjustly discriminatory, prices for each unit or service, provided that the contractor may be allowed to make reasonable and nondiscriminatory discounts, rebates, or other similar types of price reductions to volume purchasers.
- c. Each fixed-based operator at the airport shall be subject to the same rates, fees, rentals, and other charges as are uniformly applicable to all other fixed-based operators making the same or similar uses of such airport and utilizing the same or similar facilities.
- d. Each air carrier using such airport shall have the right to service itself or to use any fixed-based operator that is authorized or permitted by the airport to serve any air carrier at such airport.
- e. Each air carrier using such airport (whether as a tenant, non-tenant, or subtenant of another air carrier tenant) shall be subject to such nondiscriminatory and substantially comparable rules, regulations, conditions, rates, fees, rentals, and other charges with respect to facilities directly and substantially related to providing air transportation as are applicable to all such air carriers which make similar use of such airport and utilize similar facilities, subject to reasonable classifications such as tenants or non-tenants and signatory carriers and non-signatory carriers. Classification or status as tenant or signatory shall not be unreasonably withheld by any airport provided an air carrier assumes obligations substantially similar to those already imposed on air carriers in such classification or status.
- f. It will not exercise or grant any right or privilege which operates to prevent any person, firm, or corporation operating aircraft on the airport from performing any services on its own aircraft with its own employees (including, but not limited to maintenance, repair, and fueling) that it may choose to perform.

- g. In the event the sponsor itself exercises any of the rights and privileges referred to in this assurance, the services involved will be provided on the same conditions as would apply to the furnishing of such services by commercial aeronautical service providers authorized by the sponsor under these provisions.
- h. The sponsor may establish such reasonable, and not unjustly discriminatory, conditions to be met by all users of the airport as may be necessary for the safe and efficient operation of the airport.
- i. The sponsor may prohibit or limit any given type, kind or class of aeronautical use of the airport if such action is necessary for the safe operation of the airport or necessary to serve the civil aviation needs of the public.

23. Exclusive Rights.

It will permit no exclusive right for the use of the airport by any person providing, or intending to provide, aeronautical services to the public. For purposes of this paragraph, the providing of the services at an airport by a single fixed-based operator shall not be construed as an exclusive right if both of the following apply:

- a. It would be unreasonably costly, burdensome, or impractical for more than one fixed-based operator to provide such services, and
- b. If allowing more than one fixed-based operator to provide such services would require the reduction of space leased pursuant to an existing agreement between such single fixed-based operator and such airport. It further agrees that it will not, either directly or indirectly, grant or permit any person, firm, or corporation, the exclusive right at the airport to conduct any aeronautical activities, including, but not limited to charter flights, pilot training, aircraft rental and sightseeing, aerial photography, crop dusting, aerial advertising and surveying, air carrier operations, aircraft sales and services, sale of aviation petroleum products whether or not conducted in conjunction with other aeronautical activity, repair and maintenance of aircraft, sale of aircraft parts, and any other activities which because of their direct relationship to the operation of aircraft can be regarded as an aeronautical activity, and that it will terminate any exclusive right to conduct an aeronautical activity now existing at such an airport before the grant of any assistance under Title 49, United States Code.

24. Fee and Rental Structure.

It will maintain a fee and rental structure for the facilities and services at the airport which will make the airport as self-sustaining as possible under the circumstances existing at the particular airport, taking into account such factors as the volume of traffic and economy of collection. No part of the Federal share of an airport development, airport planning or noise compatibility project for which a Grant is made under Title 49, United States Code, the Airport and Airway Improvement Act of 1982, the Federal Airport Act or the Airport and Airway Development Act of 1970 shall be included in the rate basis in establishing fees, rates, and charges for users of that airport.

25. Airport Revenues.

- a. All revenues generated by the airport and any local taxes on aviation fuel established after December 30, 1987, will be expended by it for the capital or operating costs of the airport; the local airport system; or other local facilities which are owned or operated by the owner or operator of the airport and which are directly and substantially related to the actual air

transportation of passengers or property; or for noise mitigation purposes on or off the airport. The following exceptions apply to this paragraph:

1. If covenants or assurances in debt obligations issued before September 3, 1982, by the owner or operator of the airport, or provisions enacted before September 3, 1982, in governing statutes controlling the owner or operator's financing, provide for the use of the revenues from any of the airport owner or operator's facilities, including the airport, to support not only the airport but also the airport owner or operator's general debt obligations or other facilities, then this limitation on the use of all revenues generated by the airport (and, in the case of a public airport, local taxes on aviation fuel) shall not apply.
 2. If the Secretary approves the sale of a privately owned airport to a public sponsor and provides funding for any portion of the public sponsor's acquisition of land, this limitation on the use of all revenues generated by the sale shall not apply to certain proceeds from the sale. This is conditioned on repayment to the Secretary by the private owner of an amount equal to the remaining unamortized portion (amortized over a 20-year period) of any airport improvement grant made to the private owner for any purpose other than land acquisition on or after October 1, 1996, plus an amount equal to the federal share of the current fair market value of any land acquired with an airport improvement grant made to that airport on or after October 1, 1996.
 3. Certain revenue derived from or generated by mineral extraction, production, lease, or other means at a general aviation airport (as defined at 49 U.S.C. § 47102), if the FAA determines the airport sponsor meets the requirements set forth in Section 813 of Public Law 112-95.
- b. As part of the annual audit required under the Single Audit Act of 1984, the sponsor will direct that the audit will review, and the resulting audit report will provide an opinion concerning, the use of airport revenue and taxes in paragraph (a), and indicating whether funds paid or transferred to the owner or operator are paid or transferred in a manner consistent with Title 49, United States Code and any other applicable provision of law, including any regulation promulgated by the Secretary or Administrator.
 - c. Any civil penalties or other sanctions will be imposed for violation of this assurance in accordance with the provisions of 49 U.S.C. § 47107.

26. Reports and Inspections.

It will:

- a. submit to the Secretary such annual or special financial and operations reports as the Secretary may reasonably request and make such reports available to the public; make available to the public at reasonable times and places a report of the airport budget in a format prescribed by the Secretary;
- b. for airport development projects, make the airport and all airport records and documents affecting the airport, including deeds, leases, operation and use agreements, regulations and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request;
- c. for noise compatibility program projects, make records and documents relating to the project and continued compliance with the terms, conditions, and assurances of this Grant Agreement

including deeds, leases, agreements, regulations, and other instruments, available for inspection by any duly authorized agent of the Secretary upon reasonable request; and

- d. in a format and time prescribed by the Secretary, provide to the Secretary and make available to the public following each of its fiscal years, an annual report listing in detail:
 - 1. all amounts paid by the airport to any other unit of government and the purposes for which each such payment was made; and
 - 2. all services and property provided by the airport to other units of government and the amount of compensation received for provision of each such service and property.

27. Use by Government Aircraft.

It will make available all of the facilities of the airport developed with Federal financial assistance and all those usable for landing and takeoff of aircraft to the United States for use by Government aircraft in common with other aircraft at all times without charge, except, if the use by Government aircraft is substantial, charge may be made for a reasonable share, proportional to such use, for the cost of operating and maintaining the facilities used. Unless otherwise determined by the Secretary, or otherwise agreed to by the sponsor and the using agency, substantial use of an airport by Government aircraft will be considered to exist when operations of such aircraft are in excess of those which, in the opinion of the Secretary, would unduly interfere with use of the landing areas by other authorized aircraft, or during any calendar month that:

- a. Five (5) or more Government aircraft are regularly based at the airport or on land adjacent thereto; or
- b. The total number of movements (counting each landing as a movement) of Government aircraft is 300 or more, or the gross accumulative weight of Government aircraft using the airport (the total movement of Government aircraft multiplied by gross weights of such aircraft) is in excess of five million pounds.

28. Land for Federal Facilities.

It will furnish without cost to the Federal Government for use in connection with any air traffic control or air navigation activities, or weather-reporting and communication activities related to air traffic control, any areas of land or water, or estate therein as the Secretary considers necessary or desirable for construction, operation, and maintenance at Federal expense of space or facilities for such purposes. Such areas or any portion thereof will be made available as provided herein within four months after receipt of a written request from the Secretary.

29. Airport Layout Plan.

- a. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, it will keep up to date at all times an airport layout plan of the airport showing:
 - 1. boundaries of the airport and all proposed additions thereto, together with the boundaries of all offsite areas owned or controlled by the sponsor for airport purposes and proposed additions thereto;
 - 2. the location and nature of all existing and proposed airport facilities and structures (such as runways, taxiways, aprons, terminal buildings, hangars and roads), including all proposed extensions and reductions of existing airport facilities;
 - 3. the location of all existing and proposed non-aviation areas and of all existing improvements thereon; and

4. all proposed and existing access points used to taxi aircraft across the airport's property boundary.

Such airport layout plans and each amendment, revision, or modification thereof, shall be subject to the approval of the Secretary which approval shall be evidenced by the signature of a duly authorized representative of the Secretary on the face of the airport layout plan. The sponsor will not make or permit any changes or alterations in the airport or any of its facilities which are not in conformity with the airport layout plan as approved by the Secretary and which might, in the opinion of the Secretary, adversely affect the safety, utility or efficiency of the airport.

- b. Subject to the FAA Reauthorization Act of 2018, Public Law 115-254, Section 163, if a change or alteration in the airport or the facilities is made which the Secretary determines adversely affects the safety, utility, or efficiency of any federally owned, leased, or funded property on or off the airport and which is not in conformity with the airport layout plan as approved by the Secretary, the owner or operator will, if requested, by the Secretary:
 1. eliminate such adverse effect in a manner approved by the Secretary; or
 2. bear all costs of relocating such property (or replacement thereof) to a site acceptable to the Secretary and all costs of restoring such property (or replacement thereof) to the level of safety, utility, efficiency, and cost of operation existing before the unapproved change in the airport or its facilities except in the case of a relocation or replacement of an existing airport facility due to a change in the Secretary's design standards beyond the control of the airport sponsor.

30. Civil Rights.

It will promptly take any measures necessary to ensure that no person in the United States shall, on the grounds of race, color, and national origin (including limited English proficiency) in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4); creed and sex (including sexual orientation and gender identity) per 49 U.S.C. § 47123 and related requirements; age per the Age Discrimination Act of 1975 and related requirements; or disability per the Americans with Disabilities Act of 1990 and related requirements, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination in any program and activity conducted with, or benefiting from, funds received from this Grant.

- a. Using the definitions of activity, facility, and program as found and defined in 49 CFR §§ 21.23(b) and 21.23(e), the sponsor will facilitate all programs, operate all facilities, or conduct all programs in compliance with all non-discrimination requirements imposed by or pursuant to these assurances.
- b. Applicability
 1. Programs and Activities. If the sponsor has received a grant (or other federal assistance) for any of the sponsor's program or activities, these requirements extend to all of the sponsor's programs and activities.
 2. Facilities. Where it receives a grant or other federal financial assistance to construct, expand, renovate, remodel, alter, or acquire a facility, or part of a facility, the assurance extends to the entire facility and facilities operated in connection therewith.

3. **Real Property.** Where the sponsor receives a grant or other Federal financial assistance in the form of, or for the acquisition of real property or an interest in real property, the assurance will extend to rights to space on, over, or under such property.

c. **Duration.**

The sponsor agrees that it is obligated to this assurance for the period during which Federal financial assistance is extended to the program, except where the Federal financial assistance is to provide, or is in the form of, personal property, or real property, or interest therein, or structures or improvements thereon, in which case the assurance obligates the sponsor, or any transferee for the longer of the following periods:

1. So long as the airport is used as an airport, or for another purpose involving the provision of similar services or benefits; or
2. So long as the sponsor retains ownership or possession of the property.

d. **Required Solicitation Language.** It will include the following notification in all solicitations for bids, Requests For Proposals for work, or material under this Grant Agreement and in all proposals for agreements, including airport concessions, regardless of funding source:

"The State of Michigan, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award."

e. **Required Contract Provisions.**

1. It will insert the non-discrimination contract clauses requiring compliance with the acts and regulations relative to non-discrimination in Federally-assisted programs of the Department of Transportation (DOT), and incorporating the acts and regulations into the contracts by reference in every contract or agreement subject to the non-discrimination in Federally-assisted programs of the DOT acts and regulations.
2. It will include a list of the pertinent non-discrimination authorities in every contract that is subject to the non-discrimination acts and regulations.
3. It will insert non-discrimination contract clauses as a covenant running with the land, in any deed from the United States effecting or recording a transfer of real property, structures, use, or improvements thereon or interest therein to a sponsor.
4. It will insert non-discrimination contract clauses prohibiting discrimination on the basis of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability as a covenant running with the land, in any future deeds, leases, license, permits, or similar instruments entered into by the sponsor with other parties:
 - a. For the subsequent transfer of real property acquired or improved under the applicable activity, project, or program; and

- b. For the construction or use of, or access to, space on, over, or under real property acquired or improved under the applicable activity, project, or program.
- f. It will provide for such methods of administration for the program as are found by the Secretary to give reasonable guarantee that it, other recipients, sub-recipients, sub-grantees, contractors, subcontractors, consultants, transferees, successors in interest, and other participants of Federal financial assistance under such program will comply with all requirements imposed or pursuant to the acts, the regulations, and this assurance.
- g. It agrees that the United States has a right to seek judicial enforcement with regard to any matter arising under the acts, the regulations, and this assurance.

31. Disposal of Land.

- a. For land purchased under a grant for airport noise compatibility purposes, including land serving as a noise buffer, it will dispose of the land, when the land is no longer needed for such purposes, at fair market value, at the earliest practicable time. That portion of the proceeds of such disposition which is proportionate to the United States' share of acquisition of such land will be, at the discretion of the Secretary, (1) reinvested in another project at the airport, or (2) transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:
 - 1. Reinvestment in an approved noise compatibility project;
 - 2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);
 - 3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
 - 4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
 - 5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.

If land acquired under a grant for noise compatibility purposes is leased at fair market value and consistent with noise buffering purposes, the lease will not be considered a disposal of the land. Revenues derived from such a lease may be used for an approved airport development project that would otherwise be eligible for grant funding or any permitted use of airport revenue.

- b. For land purchased under a grant for airport development purposes (other than noise compatibility), it will, when the land is no longer needed for airport purposes, dispose of such land at fair market value or make available to the Secretary an amount equal to the United States' proportionate share of the fair market value of the land. That portion of the proceeds of such disposition which is proportionate to the United States' share of the cost of acquisition of such land will, upon application to the Secretary, be reinvested or transferred to another eligible airport as prescribed by the Secretary. The Secretary shall give preference to the following, in descending order:
 - 1. Reinvestment in an approved noise compatibility project;
 - 2. Reinvestment in an approved project that is eligible for grant funding under 49 U.S.C. § 47117(e);

3. Reinvestment in an approved airport development project that is eligible for grant funding under 49 U.S.C. §§ 47114, 47115, or 47117;
 4. Transfer to an eligible sponsor of another public airport to be reinvested in an approved noise compatibility project at that airport; or
 5. Payment to the Secretary for deposit in the Airport and Airway Trust Fund.
- c. Land shall be considered to be needed for airport purposes under this assurance if (1) it may be needed for aeronautical purposes (including runway protection zones) or serve as noise buffer land, and (2) the revenue from interim uses of such land contributes to the financial self-sufficiency of the airport. Further, land purchased with a grant received by an airport operator or owner before December 31, 1987, will be considered to be needed for airport purposes if the Secretary or Federal agency making such grant before December 31, 1987, was notified by the operator or owner of the uses of such land, did not object to such use, and the land continues to be used for that purpose, such use having commenced no later than December 15, 1989.
 - d. Disposition of such land under (a), (b), or (c) will be subject to the retention or reservation of any interest or right therein necessary to ensure that such land will only be used for purposes which are compatible with noise levels associated with operation of the airport.

32. Engineering and Design Services.

If any phase of such project has received Federal funds under Chapter 471 subchapter 1 of Title 49 U.S.C., it will award each contract, or sub-contract for program management, construction management, planning studies, feasibility studies, architectural services, preliminary engineering, design, engineering, surveying, mapping or related services in the same manner as a contract for architectural and engineering services is negotiated under Chapter 11 of Title 40 U.S.C., or an equivalent qualifications-based requirement prescribed for or by the sponsor of the airport.

33. Foreign Market Restrictions.

It will not allow funds provided under this Grant to be used to fund any project which uses any product or service of a foreign country during the period in which such foreign country is listed by the United States Trade Representative as denying fair and equitable market opportunities for products and suppliers of the United States in procurement and construction.

34. Policies, Standards, and Specifications.

It will carry out any project funded under an Airport Improvement Program Grant in accordance with policies, standards, and specifications approved by the Secretary including, but not limited to, current FAA Advisory Circulars (<https://www.faa.gov/airports/aip/media/aip-pfc-checklist.pdf>) for AIP projects as of June 14, 2024.

35. Relocation and Real Property Acquisition.

- a. It will be guided in acquiring real property, to the greatest extent practicable under State law, by the land acquisition policies in Subpart B of 49 CFR Part 24 and will pay or reimburse property owners for necessary expenses as specified in Subpart B.
- b. It will provide a relocation assistance program offering the services described in Subpart C of 49 CFR Part 24 and fair and reasonable relocation payments and assistance to displaced persons as required in Subpart D and E of 49 CFR Part 24.

- c. It will make available within a reasonable period of time prior to displacement, comparable replacement dwellings to displaced persons in accordance with Subpart E of 49 CFR Part 24.

36. Access By Intercity Buses.

The airport owner or operator will permit, to the maximum extent practicable, intercity buses or other modes of transportation to have access to the airport; however, it has no obligation to fund special facilities for intercity buses or for other modes of transportation.

37. Disadvantaged Business Enterprises.

The sponsor shall not discriminate on the basis of race, color, national origin, or sex, in the award and performance of any DOT-assisted contract covered by 49 CFR Part 26, or in the award and performance of any concession activity contract covered by 49 CFR Part 23. In addition, the sponsor shall not discriminate on the basis of race, color, national origin or sex in the administration of its Disadvantaged Business Enterprise (DBE) and Airport Concessions Disadvantaged Business Enterprise (ACDBE) programs or the requirements of 49 CFR Parts 23 and 26. The sponsor shall take all necessary and reasonable steps under 49 CFR Parts 23 and 26 to ensure nondiscrimination in the award and administration of DOT-assisted contracts, and/or concession contracts. The sponsor's DBE and ACDBE programs, as required by 49 CFR Parts 26 and 23, and as approved by DOT, are incorporated by reference in this agreement. Implementation of these programs is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the sponsor of its failure to carry out its approved program, the Department may impose sanctions as provided for under Parts 26 and 23 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. § 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. §§ 3801-3809, 3812).

38. Hangar Construction.

If the airport owner or operator and a person who owns an aircraft agree that a hangar is to be constructed at the airport for the aircraft at the aircraft owner's expense, the airport owner or operator will grant to the aircraft owner for the hangar a long term lease that is subject to such terms and conditions on the hangar as the airport owner or operator may impose.

39. Competitive Access.

- a. If the airport owner or operator of a medium or large hub airport (as defined in 49 U.S.C. § 47102) has been unable to accommodate one or more requests by an air carrier for access to gates or other facilities at that airport in order to allow the air carrier to provide service to the airport or to expand service at the airport, the airport owner or operator shall transmit a report to the Secretary that:
 - 1. Describes the requests;
 - 2. Provides an explanation as to why the requests could not be accommodated; and
 - 3. Provides a time frame within which, if any, the airport will be able to accommodate the requests.
- b. Such report shall be due on either February 1 or August 1 of each year if the airport has been unable to accommodate the request(s) in the six month period prior to the applicable due date.

Application for Federal Assistance SF-424

*1. Type of Submission:

- ☐ Preapplication
☒ Application
☐ Changed/Corrected Application

*2. Type of Application

- ☒ New
☐ Continuation
☐ Revision

* If Revision, select appropriate letter(s):

* Other (Specify)

*3. Date Received:

4. Applicant Identifier:

RECEIVED

By Christy M. Galsney at 7:18 am, Jan 17, 2024

5a. Federal Entity Identifier:

*5b. Federal Award Identifier:

State Use Only:

6. Date Received by State: 03/20/2024

7. State Application Identifier:

8. APPLICANT INFORMATION:

*a. Legal Name: Michigan Department of Transportation

*b. Employer/Taxpayer Identification Number (EIN/TIN):
2386000134

*c. UEI:
TRR56XJJ9254

d. Address:

*Street 1: 2700 Port Lansing Road
Street 2:
*City: Lansing
County/Parish:
*State: MI
*Province:
*Country: USA: United States
*Zip / Postal Code: 48906-2160

e. Organizational Unit:

Department Name:
Michigan Department of Transportation

Division Name:
Office of Aeronautics

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mrs. ☒ *First Name: Jennifer
Middle Name:
*Last Name: Moore
Suffix:

Title: Planning and Zoning Specialist

Organizational Affiliation:

*Telephone Number: 5172817790

Fax Number:

*Email: moorej55@michigan.gov

Application for Federal Assistance SF-424***9. Type of Applicant 1: Select Applicant Type:**

A. State Government

**Type of Applicant 2: Select Applicant Type:**

Pick an applicant type

Type of Applicant 3: Select Applicant Type:

Pick an applicant type

Other (Specify)**10. Name of Federal Agency:**

Federal Aviation Administration

11. Catalog of Federal Domestic Assistance Number:

20.106

CFDA Title:

Airport Improvement Program

12. Funding Opportunity Number:**Title:**

N/A

13. Competition Identification Number:**Title:****14. Areas Affected by Project (Cities, Counties, States, etc.):*****15. Descriptive Title of Applicant's Project:**

Non-Primary Development under the State Block Grant Program to Update Airport Master Plan (including ALP, Exhibit A and AGIS Survey) at the Kirsch Municipal Airport (IRS), Sturgis, MI.

Attach supporting documents as specified in agency instructions.

Application for Federal Assistance SF-424**16. Congressional Districts Of:**

*a. Applicant: MI-06

*b. Program/Project: MI-06

Attach an additional list of Program/Project Congressional Districts if needed.

17. Proposed Project:

*a. Start Date: 07/01/2024

*b. End Date: 06/30/2027

18. Estimated Funding (\$):

*a. Federal	\$ 299,507
*b. Applicant	\$ 0
*c. State	\$ 16,639
*d. Local	\$ 16,640
*e. Other	\$ 0
*f. Program Income	\$ 0
*g. TOTAL	\$ 332,786

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- ☐ a. This application was made available to the State under the Executive Order 12372 Process for review on _____.
- ☐ b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- ☒ c. Program is not covered by E.O. 12372.

***20. Is the Applicant Delinquent On Any Federal Debt?**☐ Yes ☒ No

If "Yes", explain:

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

☒ ** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions.

Authorized Representative:

Prefix: Mrs. *First Name: Elyse

Middle Name:

*Last Name: Lower

Suffix:

*Title: Project Management Unit Supervisor, MDOT Office of Aeronautics

*Telephone Number: 5172428050

Fax Number:

* Email: Lowere1@michigan.gov

*Signature of Authorized Representative:

E-SIGNED by Elyse Lower
on 2024-06-30 12:22:46 EDT

*Date Signed:

EXHIBIT 1

KIRSCH MUNICIPAL
STURGIS, MICHIGAN

Project No. 3-26-0092-XXX24 BIL
Job No. 125462 EPE

May 30, 2024

	Federal	State	Local	Total
PLANNING	\$299,507	\$16,639	\$16,640	\$332,786
Conduct MP Study - ALP & narrative report (including Exhibit A)				
CONSULTANT Contract Fee 90% Fed	\$293,657	\$16,314	\$16,315	\$326,286
IFE Fee (Sponsor Reimbursement) 90% Fed	\$5,850	\$325	\$325	\$6,500
	\$0	\$0	\$0	\$0
DESIGN	\$0	\$0	\$0	\$0
CONSTRUCTION	\$0	\$0	\$0	\$0
TOTAL PROJECT BUDGET	\$299,507	\$16,639	\$16,640	\$332,786
	90.00%	5.00%	5.00%	

Federal Billing Breakdown:

Bill #1 \$299,507 BIL XXX24 Grant Award Date:TBD

Bid Information: N/A

Period of Performance End Date: TBD

MAC Approval: 03/20/24

CONCEPT (PROJECT) NARRATIVE AND JUSTIFICATION SHEET FOR AIRPORT CAPITAL IMPROVEMENT PROGRAM (ACIP)

Airport and Associated City Kirsch Municipal Airport - Sturgis, MI	Concept(s) Development Year 2024	
Concept(s) Description Airport Layout Plan Update		
Concept(s) Narrative/Justification (see guidance on preparing your project's justification) This project consists of an update to the Airport's Airport Layout Plan (ALP). The ALP will look at current and future needs as well as an evaluation of the airport's approaches. BIL funding is planned for this project.		
PCI Information for pavement rehabilitation (Please provide PCI rating(s) and year surveyed for proposed project)		
Section	Date of PCI Survey	PCI Rating
Section	Date of PCI Survey	PCI Rating
Section	Date of PCI Survey	PCI Rating
ALP Verification (Please provide date of approved ALP and applicable sheet number(s) where proposed project is located)		
Verify Project is on ALP <input type="checkbox"/> YES <input type="checkbox"/> NO <input checked="" type="checkbox"/> N/A	Date of Original FAA Approved ALP	Sheet Number(s)
Date(s) of Approved Update(s)		
Comments		

ALP Note: If not on Airport Layout Plan (ALP), project cannot be programmed until the proposed development, if applicable is on an approved ALP.