

LOAN RESOLUTION

RESOLUTION NO. 410

A RESOLUTION ENTITLED; "A RESOLUTION OF THE TOWN OF STEVENSVILLE, APPROVING A LOAN IN THE AMOUNT OF \$71,000.00, TOGETHER WITH INTEREST THEREON AT THE RATE OF 1.750% PER ANNUM ON THE UNPAID BALANCE OF THE PRINCIPAL UNTIL PAID, FROM THE AERONAUTICS DIVISION OF THE DEPARTMENT OF TRANSPORTATION OF THE STATE OF MONTANA TO THE TOWN OF STEVENSVILLE, FOR THE PURPOSE OF RECONSTRUCTION AIRPORT RUNWAY AND TAXIWAY AT THE STEVENSVILLE AIRPORT, LOCATED IN STEVENSVILLE, MONTANA, PROVIDING FOR THE REPAYMENT OF LOAN, AND THE TERMS THEREOF,"

WHEREAS, the Town of Stevensville, hereinafter known as "SPONSOR", has approval from the Aeronautics Division of the Department of Transportation of the State of Montana, hereafter known as "DIVISION", for a loan of State funds in the amount of \$71,000.00 together with interest thereon at the rate of 1.750% per annum of the unpaid balance of the principal until paid, for the purpose of Airport Improvements described above.

The DIVISION, has prescribed the terms and conditions under which loan is to be repaid, to wit: Said sum of \$71,000.00 together with interest thereon at the rate of 1.750% per annum on the unpaid balance of the principal until paid, must be repaid to the DIVISION, in annual installments in such payment amounts and in accordance with the schedule of repayments as set forth in the repayment schedule attached hereto and marked EXHIBIT "A".

The SPONSOR accepts such DIVISION monies and agrees to expend same upon such terms and conditions as are prescribed by the DIVISION, and in accordance with the Airport Aid Application Section Four (Representations) and Section Three (Sponsor Assurances) and by this reference incorporated herein as though fully set forth.

NOW THEREFORE, IT IS RESOLVED by the Town of Stevensville, known herein as

SPONSOR, as follows:

1. SPONSOR, hereby agrees to receive and expend such loan totaling \$71,000.00 for the improvements of the Stevensville Airport, located in Stevensville, Montana, in the manner and form applied for, and as approved by the DIVISION.

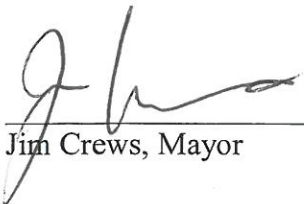
2. That in consideration of said loan, that SPONSOR, hereby obligates itself during the period of time as set forth in EXHIBIT "A", to repay to the DIVISION, the loan of \$71,000.00 ,together with interest thereon at the rate of 1.750% per annum on the unpaid balance of the principal until paid, in annual installments in accordance with EXHIBIT "A". The first of said payments, in the amount as stated in EXHIBIT "A" will be made on or before the date set forth in EXHIBIT "A", in the full amount of the loan together with interest as aforesaid; and

3.) The SPONSOR shall have the right of prepayment of the principal and interest of the loan, or any part thereof, without penalty, at any time. Any prepayment shall be applied first to interest then accrued at the time of payment and the balance of the payment shall be applied to the principal balance of the loan at the time of prepayment. Any prepayment of principal shall accordingly reduce the amount of interest to be paid on the loan. The prepayment shall not relieve the Sponsor from making the next succeeding payment installment or installment when due until the total balance of the loan is paid in full.

4.) The SPONSOR, in consideration of said loan does hereby obligate itself to include within its budget for the period of time during which loan is to be repaid, sufficient funds to pay and discharge loan together with interest thereon in the amount as stated in EXHIBIT "A".

Unanimously passed and approved by the Town Council of Stevensville, located in Stevensville, Montana, this 12th day of June, 2017.

APPROVED:



Jim Crews, Mayor

ATTEST:



Stacy Bartlett, Town Clerk

EXHIBIT "A"
REPAYMENT SCHEDULE
Stevensville

Fixed Principal Amortization Worksheet

Loan Amount 71,000.00
 Annual Interest Rate 1.750%
 First Payment Date 02/28/18
 Loan Period 10

PAYMENT #	PAYMENT DUE	PAYMENT	PRINCIPLE	INTEREST	PRINCIPLE BALANCE
**1	02/28/18	\$ 8,342.50	\$ 7,100.00	\$ 1,242.50	\$ 63,900.00
2	02/28/19	\$ 8,218.25	\$ 7,100.00	\$ 1,118.25	\$ 56,800.00
3	02/28/20	\$ 8,094.00	\$ 7,100.00	\$ 994.00	\$ 49,700.00
4	02/28/21	\$ 7,969.75	\$ 7,100.00	\$ 869.75	\$ 42,600.00
5	02/28/22	\$ 7,845.50	\$ 7,100.00	\$ 745.50	\$ 35,500.00
6	02/28/23	\$ 7,721.25	\$ 7,100.00	\$ 621.25	\$ 28,400.00
7	02/28/24	\$ 7,597.00	\$ 7,100.00	\$ 497.00	\$ 21,300.00
8	02/28/25	\$ 7,472.75	\$ 7,100.00	\$ 372.75	\$ 14,200.00
9	02/28/26	\$ 7,348.50	\$ 7,100.00	\$ 248.50	\$ 7,100.00
10	02/28/27	\$ 7,224.25	\$ 7,100.00	\$ 124.25	\$ -
Totals		\$ 77,833.75	\$ 71,000.00	\$ 6,833.75	

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**Actual Interest rate for first payment will be prorated - You will receive an invoice for the correct amount owed every January

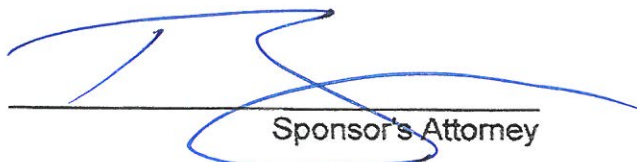
Certificate of Sponsor's Attorney

Airport Development Aid Application and Acceptance

I, Brian West, acting as attorney for
Town of Stevensville (herein referred to as "SPONSOR")
do hereby certify:

That I have examined the Airport Aid Application and the proceedings taken by SPONSOR relating thereto, and find that the acceptance of this offer by the SPONSOR has been duly authorized and that the execution thereof is in all respects due and proper and in accordance with the laws of the State of Montana and in my opinion, the airport aid application constitutes a legal and binding obligation of the SPONSOR in accordance with the term set forth.

Dated this 24th day of May, 2017



Sponsor's Attorney



U.S. Department
of Transportation
Federal Aviation
Administration

GRANT AGREEMENT

PART I – OFFER

Date of Offer	<u>August 4, 2016</u>
Airport/Planning Area	<u>Stevensville</u>
AIP Grant Number	<u>3-30-0044-013-2016 (DOT-FA16NM-2050)</u>
DUNS Number	<u>055038707</u>
TO:	<u>Town of Stevensville, Montana</u> (herein called the "Sponsor")

FROM: **The United States of America** (acting through the Federal Aviation Administration, herein called the "FAA")

WHEREAS, the Sponsor has submitted to the FAA a Project Application dated **March 24, 2016**, and as amended by letter dated **July 15, 2016**, for a grant of Federal funds for a project at or associated with the Stevensville Airport, Stevensville, Montana, which is included as part of this Grant Agreement; and

WHEREAS, the FAA has approved a project for the Stevensville Airport (herein called the "Project") consisting of the following:

Widen Runway 12/30 (final phase-construction); Remove Obstructions (final phase-construction); Rehabilitate Runway Lighting (final phase-construction); Construct Taxiway Fillets, Mid-field connector, and Turnaround (final phase-construction); Install Weather Reporting Equipment-AWOS A/V (final phase-construction); Conduct Environmental Assessment (final phase-Air Quality Analysis); Install Guidance Signs; Install new PAPI

which is more fully described in the Project Application.

NOW THEREFORE, According to the applicable provisions of the former Federal Aviation Act of 1958, as amended and recodified, 49 U.S.C. 40101, et seq., and the former Airport and Airway Improvement Act of 1982 (AAIA), as amended and recodified, 49 U.S.C. 47101, et seq., (herein the AAIA grant statute is referred to as "the Act"), the representations contained in the Project Application, and in consideration of (a) the Sponsor's adoption and ratification of the Grant Assurances dated March 2014, and the Sponsor's acceptance of this Offer, and (b) the benefits to accrue to the United States and the public from the accomplishment of the Project and compliance with the Grant Assurances and conditions as herein provided,

THE FEDERAL AVIATION ADMINISTRATION, FOR AND ON BEHALF OF THE UNITED STATES, HEREBY OFFERS AND AGREES to pay ninety (90) percent of the allowable costs incurred accomplishing the Project as the United States share of the Project.

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 **\$2,057,842.00.**

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):

\$ 13,950.00 for planning
 \$2,043,892.00 for airport development or noise program implementation
 \$0 for land acquisition.

2. **Period of Performance.** The period of performance begins on the date the Sponsor formally accepts this agreement. Unless explicitly stated otherwise in an amendment from the FAA, the end date of the project period of performance is 4 years (1,460 calendar days) from the date of formal grant acceptance by the Sponsor.

The Sponsor may only charge allowable costs for obligations incurred prior to the end date of the period of performance (2 CFR § 200.309). Unless the FAA authorizes a written extension, the sponsor must submit all project closeout documentation and liquidate (pay off) all obligations incurred under this award no later than 90 calendar days after the end date of the period of performance (2 CFR § 200.343).

The period of performance end date does not relieve or reduce Sponsor obligations and assurances that extend beyond the closeout of a grant agreement.

3. **Ineligible or Unallowable Costs.** The Sponsor must not include any costs in the project that the FAA has determined to be ineligible or unallowable.
4. **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.
5. **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.
6. **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 Sponsor.
7. **Offer Expiration Date.** This offer will expire and the United States will not be obligated to pay any part of the costs of the project unless this offer has been accepted by the Sponsor on or before **August 26, 2016**, or such subsequent date as may be prescribed in writing by the FAA.
8. **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.

9. **United States Not Liable for Damage or Injury.** The United States is not responsible or liable for damage to property or injury to persons which may arise from, or be incident to, compliance with this grant agreement.

10. **System for Award Management (SAM) Registration And Universal Identifier.**

- A. Requirement for System for Award Management (SAM): Unless the Sponsor is exempted from this requirement under 2 CFR 25.110, the Sponsor must maintain the currency of its information in the SAM until the Sponsor submits the final financial report required under this grant, or receives the final payment, whichever is later. This requires that 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. Requirement for Data Universal Numbering System (DUNS) Numbers
1. The Sponsor must notify potential subrecipient that it cannot receive a contract unless it has provided its DUNS number to the Sponsor. A subrecipient means a consultant, contractor, or other entity that enters into an agreement with the Sponsor to provide services or other work to further this project, and is accountable to the Sponsor for the use of the Federal funds provided by the agreement, which may be provided through any legal agreement, including a contract.
 2. The Sponsor may not make an award to a subrecipient unless the subrecipient has provided its DUNS number to the Sponsor.
 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 (currently 866-705-5771) or on the web (currently at <http://fedgov.dnb.com/webform>).

11. **Electronic Grant Payment(s).** Unless otherwise directed by the FAA, the Sponsor must make each payment request under this agreement electronically via the Delphi eInvoicing System for Department of Transportation (DOT) Financial Assistance Awardees.

12. **Informal Letter Amendment of AIP Projects.** If, during the life of the project, the FAA determines that the maximum grant obligation of the United States exceeds the expected needs of the Sponsor by \$25,000 or five percent (5%), whichever is greater, the FAA can issue a letter amendment to the Sponsor unilaterally reducing the maximum obligation.

The FAA can also issue a letter to the Sponsor 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.

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.

13. **Air and Water Quality.** The Sponsor is required to comply with all applicable air and water quality standards for all projects in this grant. If the Sponsor fails to comply with this requirement, the FAA may suspend, cancel, or terminate this grant.

- 14. 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.
- 15. Buy American.** Unless otherwise approved in advance by the FAA, 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 grant. The Sponsor will include a provision implementing Buy American in every contract.
- 16. Maximum Obligation Increase For Nonprimary Airports.** In accordance with 49 U.S.C. § 47108(b), as amended, the maximum obligation of the United States, as stated in Condition No. 1 of this Grant Offer:
- A. May not be increased for a planning project;
 - B. May be increased by not more than 15 percent for development projects;
 - C. May be increased by not more than 15 percent or by an amount not to exceed 25 percent of the total increase in allowable costs attributable to the acquisition of land or interests in land, whichever is greater, based on current credible appraisals or a court award in a condemnation proceeding.
- 17. Suspension or Debarment.** When entering into a “covered transaction” as defined by 2 CFR § 180.200, the Sponsor must:
- A. Verify the non-federal entity is eligible to participate in this Federal program by:
 - 1. 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
 - 2. Collecting a certification statement from the non-federal entity attesting they are not excluded or disqualified from participating; or
 - 3. Adding a clause or condition to covered transactions attesting individual or firm are not excluded or disqualified from participating.
 - B. Require prime contractors to comply with 2 CFR § 180.330 when entering into lower-tier transactions (e.g. Sub-contracts).
 - C. Immediately disclose to the FAA whenever the Sponsor: (1) learns they have entered into a covered transaction with an ineligible entity or (2) suspends or debar a contractor, person, or entity.
- 18. 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 Sponsor is 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:
 - a. Establishment of new rules and programs or re-evaluation of existing programs to prohibit text messaging while driving; and
 - b. 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 while driving in all subgrants, contracts and subcontracts.

19. Trafficking in Persons.

- A. Prohibitions: The prohibitions against trafficking in persons (Prohibitions) 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). Prohibitions include:
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 subagreements 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 to unilaterally terminate this agreement, without penalty, if a private entity –
1. Is determined to have violated the Prohibitions; or
 2. Has an employee who the FAA determines has violated the Prohibitions through conduct that is either:
 - a. Associated with performance under this agreement; or
 - b. Imputed to the Sponsor or subrecipient using 2 CFR part 180, “OMB Guidelines to Agencies on Government wide Debarment and Suspension (Nonprocurement),” as implemented by the FAA at 2 CFR part 1200.

20. Exhibit “A” Property Map. The Exhibit “A” Property Map dated **September 30, 2014**, is incorporated herein by reference or is submitted with the project application and made part of this grant agreement.

21. Automated Weather Observing Systems (AWOS). The Sponsor agrees that it will:

- A. Within 60 calendar days of grant acceptance, establish a Memorandum of Agreement (MOA) with the FAA;
- B. Develop an Operations Maintenance Manual to more specifically describe the operational, maintenance, and documentation requirements for the AWOS;
- C. Within 60 calendar days of installation, take the necessary actions to initiate the AWOS commissioning by the FAA; and
- D. 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.

The Sponsor further understands that the FAA will not take over the ownership, operation, or maintenance of any Sponsor-acquired equipment.

22. 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.

23. Airports GIS Survey. If the Airports GIS survey is not reflected on an updated ALP that meets FAA requirements within four (4) years from the date of the grant (regardless of whether it is generated using the AGIS/eALP system or through some other computer-aided design platform), then the sponsor may be required to repay that portion of the grant that relates to the survey work.

24. Lighting. The Sponsor must operate and maintain the lighting system during the useful life of the system in accordance with applicable FAA standards.

25. Environmental. The environmental approval for this project was issued on August 14, 2015. This project includes the following mitigation measures:

- The Proposed Action will cause temporary impacts from construction operations that will be mitigated through working hour restrictions, using vehicles that are in compliance with EPA emission standards, and implementing Best Management Practices to protect against contamination from equipment and dust control. The contractor will be required to have a spill prevention and pollution control (SPPC) plan in place, as well as maintain a supply of absorbent materials on-site in the event a spill occurs. All disturbed and bare grounds from construction will be revegetated, and to the extent practicable, damage to large shrubs within and adjacent to the proposed project area will be avoided and minimized to maintain adequate habitat for wildlife. A weed management plan will be developed in coordination with the Ravalli County Weed District to identify weed control strategies.
- Montana Aeronautics and the FAA will update all future aviation publications to make mention of the Lee Metcalf National Wildlife Refuge to help notify pilots of the sensitive area near the airport and the Stevensville Airport will issue a NOTAM (Notice to Airmen) that will warn pilots of the Lee Metcalf National Wildlife Refuge.
- An Erosion Control Plan and a Storm Water Pollution Prevention Plan (SWPPP) will be submitted to the Montana Department of Environmental Quality (MDEQ) Permitting and Compliance Division in compliance with their Montana Pollutant Discharge Elimination System Regulations (ARM 16-20-1314) for any airport development project.
- A Conditional No Adverse Effect on Historic Properties determination has been made for the Proposed Action with the conditions of: 1) Staking or fencing off the site of concern during construction and 2) Providing interpretive panels at a site near Stevensville to explain the site and its ties to the landscape.

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.

26. Airport-Owned Visual or Electronic Navigation Aids in Project. The Sponsor agrees that it will:

- A. Provide for the continuous operation and maintenance of any navigational aid funded under this grant agreement during the useful life of the equipment;
- B. Prior to commissioning, assure the equipment meets the FAA's standards; and
- C. Remove, relocate, lower, mark, or light each obstruction to obtain a clear approach as indicated in the 14 CFR part 77 aeronautical survey.

27. Obstruction Removal. The Sponsor agrees to clear ground obstructions within the current Runway Safety Area (RSA) and Object Free Area (OFA) for Runway 12/30, as shown on the Airport Layout Plan, 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.

28. Plans and 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:

- A. 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;
- B. 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;
- C. 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.

29. Pavement Maintenance Management Program. The Sponsor agrees that it will implement an effective airport pavement maintenance management program as required by Grant 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

- A. 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;
- B. Detail the procedures to be followed to assure that proper pavement maintenance, both preventive and repair, is performed;
- C. Include a Pavement Inventory, Inspection Schedule, Record Keeping, Information Retrieval, and Reference, meeting the following requirements:
 1. Pavement Inventory. The following must be depicted in an appropriate form and level of detail:
 - a. Location of all runways, taxiways, and aprons;
 - b. Dimensions;
 - c. Type of pavement, and;
 - d. Year of construction or most recent major rehabilitation.
 2. Inspection Schedule.
 - a. 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.
 - b. 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.
 3. 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:
 - a. Inspection date;
 - b. Location;
 - c. Distress types; and
 - d. Maintenance scheduled or performed.
 4. 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.

30. Project which Contain Paving Work in Excess of \$500,000. The Sponsor agrees to:

- 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 specifications. The program must include as a minimum:
 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.
- B. Submit at completion of the project, a final test and quality assurance report documenting the summary results of all tests performed; highlighting those tests that indicated failure 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. Submit interim test and quality assurance reports when requested by the FAA.
- 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 grant agreement.
- D. The FAA, at its discretion, reserves the right to conduct independent tests and to reduce grant payments accordingly if such independent tests determine that sponsor test results are inaccurate.

31. Maintenance Project Life. 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.

32. Eligibility and Project Accomplishment.

- A. Application of soil sterilant along the edge of the pavement being rehabilitated under the project is considered eligible. The application of soil sterilant around runway and taxiway lights, signs, and nav aids is considered other than pavement maintenance and is not eligible.

- B. In accordance with FAA Advisory Circular 150/5340-1K “Standards for Airport Markings”, paragraph 1.3.e. “Removal of Markings”. Pavement markings that are no longer needed should be physically removed by sand blasting, chemical removal or other means, not painted over. Black out of existing markings is not an acceptable means of removing pavement markings.

- 33. Financial Reporting Requirements.** The Sponsor agrees to submit a **Federal Financial Report** (FAA Form SF-425) for all open grants to the Airports District Office within 90 days following the end of each Federal fiscal year and with each Final Project Closeout Report.

The Sponsor further agrees to submit an **Outlay Report and Request for Reimbursement** (FAA Form SF-271 for construction projects) or **Request for Advance or Reimbursement** (FAA Form SF-270 for non-construction projects) to the Airports District Office within 90 days following the end of each Federal fiscal year and with each Final Project Closeout Report.

- 34. Final Payment.** The Sponsor understands and agrees that in accordance with 49 USC 47111, no payments totaling more than 90 percent of United States Government’s share of the project’s estimated allowable cost may be made before the project is determined to be satisfactorily completed.

If the project is determined to be satisfactorily complete and proper documentation is submitted by the Sponsor to the Airports District Office (ADO), then the ADO may approve payments up to 97.5 percent of United States Government’s share of the project’s estimated allowable cost. “Satisfactorily complete” means the following: (1) The project results in a complete, usable unit of work as defined in the grant agreement; and (2) The sponsor submits necessary documents showing that the project is substantially complete per the contract requirements, or has a plan (that FAA agrees with) that addresses all elements contained on the punch list.

- 35. Sponsor Performance Report.**

- A. **For non-construction projects** – the Sponsor understands and agrees that in accordance with 2 CFR §200.328 the Sponsor shall submit a Quarterly Performance Report to the Airports District Office (ADO) within 30 calendar days from the end of the quarter, beginning in the quarter in which the project begins, and for each following quarter until the project is substantially complete. If a major project or schedule change occurs between Quarterly Performance Reports, the sponsor must submit an out of cycle performance report to the ADO. The performance report for non-construction projects shall include the following as a minimum:

1. A comparison of proposed objectives to actual accomplishments.
2. Reasons for any slippage or lack of accomplishment in a given area.
3. Impacts on other AIP-funded projects.
4. Impacts to projects funded by PFC, other FAA programs, or the sponsor.
5. Identification and explanation of any anticipated cost overruns.

- B. **For construction projects** – FAA Form 5370-1 Construction Progress and Inspection Report satisfies the performance reporting requirement. The sponsor must submit FAA Form 5370-1 to the ADO on a **weekly basis** during construction and at least quarterly when the project is in winter shutdown, until the project is substantially complete. Form 5370-1 requires the following information:

1. Estimated percent completion to date of construction phases.
2. Work completed or in progress during the period.
3. Brief Weather Summary during the period including approximate rainfall and period of below freezing temperature.
4. Contract time: Number of days charged to date and last working day charged.
5. Summary of laboratory and field testing during the period.
6. Work anticipated by the contractor for the next period.
7. Problem areas and other comments.

36. Grant Approval Based Upon Certification. The FAA and the Sponsor agree that the FAA approval of this grant is based on FAA acceptance of the Sponsor's certification to carry out the project in accordance with FAA policies, standards, and specifications. The Sponsor Certifications received from the Sponsor for the work included in this grant are hereby incorporated into this grant agreement. The Sponsor understands that:

- A. 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;
- B. 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;
- C. 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.

The Sponsor's acceptance of this Offer and ratification and adoption of the Project Application incorporated herein shall be evidenced by execution of this instrument by the Sponsor, 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 Sponsor with respect to the accomplishment of the Project and compliance with the assurances and conditions as provided herein. Such Grant Agreement shall become effective upon the Sponsor's acceptance of this Offer.

UNITED STATES OF AMERICA
FEDERAL AVIATION ADMINISTRATION

(Signature)

David S. Stelling
(Typed Name)

Manager, Helena Airports District Office
(Title of FAA Official)

PART II - ACCEPTANCE

The Sponsor does hereby ratify and adopt all assurances, statements, representations, warranties, covenants, and agreements contained in the Project 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 terms and conditions in this Offer and in the Project Application.

I declare under penalty of perjury that the foregoing is true and correct.¹

Executed this 16th day of AUGUST, 2016.

Town of Stevensville, Montana

(Name of Sponsor)

[Signature]

(Signature of Sponsor's Authorized Official)

By:

Jim Crews

(Typed Name of Sponsor's Authorized Official)

Title:

Mayor

(Title of Sponsor's Authorized Official)

CERTIFICATE OF SPONSOR'S ATTORNEY

I, Bruce West, acting as Attorney for the Sponsor do hereby certify:

That in my opinion the Sponsor is empowered to enter into the foregoing Grant Agreement under the laws of the State of Montana. Further, I have examined the foregoing Grant Agreement and the actions taken by said Sponsor and Sponsor'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 and the Act. In addition, for grants involving projects to be carried out on property not owned by the Sponsor, there are no legal impediments that will prevent full performance by the Sponsor. Further, it is my opinion that the said Grant Agreement constitutes a legal and binding obligation of the Sponsor in accordance with the terms thereof.

Dated at Missoula, MT (location) this 19 day of August.

By:

[Signature]

(Signature of Sponsor's Attorney)

¹ Knowingly and willfully providing false information to the Federal government is a violation of 18 U.S.C. Section 1001 (False Statements) and could subject you to fines, imprisonment, or both.



Single Audit Certification Form

As a condition of receiving Federal assistance under the Airport Improvement Program, you must comply with audit requirements as established under 2 CFR §200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards).

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 assure your organization will comply with applicable audit requirements and standards. For more information on the audit requirements please reference the following web site: <https://harvester.census.gov/facweb>.

In accordance with your Airport Improvement Program (AIP) grant agreement, you must provide a copy of your audit to your local Airports District Office (ADO), whether or not there are any significant findings. Please fill out the information below by checking the appropriate line(s), sign, date, and return this form to the FAA local ADO identified at the bottom of the form.

Airport Sponsor Information:

TOWN OF STEVENSVILLE, MONTANA 2017
Sponsor Name Fiscal/Calendar Year Ending

STEVENSVILLE AIRPORT
Airport Name

Jim Crews Mayor
Sponsor's Representative Name Representative's Title

406-777-5271 JimC@TOWNOFSTEVENSVILLE.COM
Telephone Email

Please check the appropriate line(s):

- We are subject to the Single Audit requirements and are taking the following action:
- The Single Audit for this fiscal/calendar year has been submitted to the FAA.
 - The Single Audit for this fiscal/calendar year is attached.
 - The Single Audit report will be submitted to the FAA as soon as this audit is available.
- We are exempt from the Single Audit requirements for the fiscal/calendar noted above.

Sponsor Certification:

[Signature] 8-16-16
Signature Date

Return to: FAA, Helena Airports District Office
2725 Skyway Drive, Suite 2
Helena, MT 59602