



March 7, 2024

Mr. Kevin Klein
Chief Executive Officer
Northwest Regional Airport Authority
727 Fly Don't Drive
Traverse City, MI 49686

Dear Kevin,

I'm in receipt of your correspondence dated March 5, 2024. Unfortunately, I believe that you have wholly mischaracterized the events over the last several months pertaining to the National Cherry Festival Airshow. Until this point, I have remained silent in reference to this mischaracterization in order to maintain an amicable relationship with you and to come to an agreement with the Airport regarding the Airshow. However, at this point I feel I must correct the record as to the one-sided nature of the discussions that our organization has had with you.

In October 2023, we were to meet to discuss the "impact" of the National Cherry Festival Airshow on the airport, rather, you instructed me directly, that our airshow needed to end in three years. Contrary to the assertions of your letter, this was not a discussion, but an ultimatum; in which you indicated that the Blue Angels could fly this year and for the National Cherry Festival's 100th anniversary but after that the Airshow as it exists needed to end. After it was stated that you wanted to end the National Cherry Festival Airshow, you then made further ultimatums of the reduction of the 2024 Airshow, to the point where it would almost be impossible to operate, or in line with our past traditional Airshows.

In light of this, our Airshow Committee, made up of FAA authorized Airbosses and our Airshow Directors, took several steps to address your concerns with 2024's Airshow impact on the Airport. This included assurances of no mobile arresting gear at the airport, two separate performance areas in our TFR allowing commercial traffic to land during the majority of the Airshow performance (2 out of 3 hours), hiring a second Airboss and consultant to help coordinate with the FAA Tower and assisting with airline de-confliction to make sure commercial flights were moved and not canceled. This was also accompanied by a proposed Sponsorship Agreement, providing the airport with approximately \$90,000 of in-kind sponsorship incentives. However, you refused to meet with our Airshow Director and wanted to simply meet with me personally.



On January 27, 2024, we agreed to have our President and NRAA President meet with the both us to see if we could reach a mutual resolution. While our Airshow team had prepared a proposal, all points were refused, again unilaterally.

This one-sided discussion continued by the manner in which the first proposed agreement was put forth at your January 30, 2024, NRAA Board. The National Cherry Festival was never given the opportunity to provide any input into nor had it ever been given the courtesy of seeing the first proposed agreement before the board meeting. The first proposed agreement was not even close to compatible with any previous arrangement with the airport for the Airshow. It was an incredibly one sided agreement giving the CEO of the airport, unilateral control of our Airshow, the ability to cancel it at any time for any reason, and asking our organization to essentially waive any and all of our rights under the airport's required FAA Assurances.

At that meeting, the NRAA Board instructed there be a collaborative meeting with the National Cherry Festival. Again, we agreed to have our President and NRAA President meet with us to see if we could reach a mutual resolution. This time one of our FAA authorized Airbosses appeared via zoom. Unfortunately again, we were met very little cooperation or compromise, but with further demands and rebuke.

The second agreement that was presented was even more restrictive than the first agreement. It was punitive in nature. Again, it gave you sole authority over the entire airshow and now included aspects of the Airshow that does not utilize any part of the airport. You've included language that requires everyone attending to sign waivers which is overly broad as it covers "acts" of the airport even if those "acts" have nothing to do with the Airshow. Effectively this second agreement was not designed to allow us to have an Airshow but was designed to give you sole power over this particular event. Unfortunately, that was the beginning and end of our current "collaboration". While I appreciate the time you took for the meetings that we had, none of the agreements, nor any of your actions, reflect a "collaborative process."

Our Foundation worked diligently with efforts to try to find a middle ground in this particular matter. As you know we have hired a second extremely qualified Airboss to assist with the Airshow to help ensure safety and take stress off of airport employees. We have put forth a D-shaped performance area that will significantly reduce the impact to commercial air traffic during the Airshow which was in fact approved for use. We are working diligently to avoid any request to install arresting gear at TVC. We have provided a sponsorship agreement with a dollar value in excess of what was presented of your operational expenses. We hired an FAA expert to help us both craft an agreement to benefit both organizations while being compliant with FAA regulations. We are prepared to collaborate as we look at future bookings for the Airshows.



By design this second agreement put us in an impossible position. It claimed that you are concerned about the safety and economic aspects of the Airshow. These potential challenges can immediately be mitigated by appropriate deconfliction of aircraft and by letting the carriers know well in advance about the Airshow and the attendant restrictions. Instead of acknowledging that this insures ensure safety operations and mitigate economic impact you insisted that the Airshow Airboss cease and desist any attempt to deconflict insisting instead that this action only be undertaken by the Airport. This is contrary to the Airboss's obligations to the Airshow under their FAA mandate. Further the fact that you scheduled the inaugural Houston flight to arrive during the performance window for the U.S. Navy's Blue Angel's points to the fact that there is no intention of undertaking the deconfliction in a manner that is "collaborative". We have been asked to enter into an unconscionable agreement that would waive our public rights to the use of the Airport and threatened that our refusal to sign the "Consent And Agreement For The Privilege To Use Airport Property" would be deemed a withdrawal of our request to have the Airshow.

This is no less than the third attempt, I feel this is an accurate representation of what has transpired. While a casual onlooker may see some of the changes that you've made as reasonable attempts to compromise, a more detailed review of FAA law, and a common knowledge of how airshows run, will show that the second agreement creates impracticalities (if not impossibilities) in the contract itself dooming us to fail from the start. The demands result in nothing more than TVC airport, which is a public airport that receives state and federal funding, including funding through the Federal Aviation Administration.

To clarify, we respectfully disagree to points you've raised with the following;

One. There is no safety issue with our Airshow to the airport. Our airshow is run by licensed FAA professionals, and some of the most talented men and women in the airshow industry. This also includes the proud men and women serving the United States military, who bless us with their demonstration teams.

Two. There is no substantial negative economic impact to the airport. We do have to deconflict certain flights during our airshow time. This does not cancel the flights. It simply moves the flights so that all of your commercial traffic can reach their destination in a timely and economical fashion.

Three. We still assume all the liability for the Airshow. The Airport is named as an additional insured as they always have been in the past. However, if you were to commit negligence, we will not assume your responsibility. In our MOU, we also offered to hold harmless and indemnified you for anything that goes on with the Airshow. However, we will not request any participants, volunteers, onlookers, to all sign waivers of liability. That is simply impractical.



Four. It is our understanding that TVC is a public airport, not a private airport. The request you have made would be impractical to put on any other aviation participants.

My Board of Directors will not authorize the execution of such a one-sided agreement that by design will cause the demise of the Airshow. To that end, please be on notice that our refusal to sign the agreement is NOT a withdrawal of any request to conduct the 2024 National Cherry Festival Airshow. Please direct all further correspondence to our Airshow Director who has been given full authority to act on this matter.

Sincerely,

A handwritten signature in black ink that reads "Kat Paye". The signature is written in a cursive, flowing style.

Kat Paye
Chief Executive Officer
The Festival Foundation