



**Airport Advisory Board  
Regular Meeting  
City Hall, 697 Vista Ave, Page AZ  
February 9, 2026 at 5:30 PM**

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**NOTICE OF PUBLIC MEETING AND AGENDA**

Pursuant to Arizona Revised Statutes § 38-431.02, notice is hereby given to the members of the City of Page Airport Advisory Board and the general public that the Page Airport Advisory Board will hold a meeting open to the public in Page City Hall located at 697 Vista Avenue, Page, Arizona. Members of the Airport Advisory Board will attend either in person or virtually.

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**1. Call to Order**

**2. Roll Call**

Neil Salmi	
Mario Bevilacqua Von Gunderrode- Chair	Vernon Randel
Justin Feldman	Scott Golba
Michael Preller	Mike Farrow, Council Liaison
Sean Brown-Vice Chair	

**3. Minutes**

A. Airport Advisory Board Regular Meeting Minutes - January 27, 2026

**4. Hear from the Citizens**

The public is invited to speak on any item or area of concern. Items presented during the Citizens portion which are not on the agenda, cannot be acted upon by the Airport Advisory Board. Individual members are prohibited by the Open Meeting Law from discussing or considering the item among themselves unless the item is officially on an agenda.

**5. Reports and Announcements**

- A. Airport Director's Updates and Announcements
  - 1. Airport Master Plan Announcement
  - 2. Terminal Renovation Project updates
  - 3. Current Hangar Use and Development update
  - 4. Airport Grant overview

**6. New Business**

- A. Airport Advisory Board Member Introductions
- B. Airport Advisory Board Mission Statement
- C. Discuss Advisory Board goals and expectations.
- D. Westwind Air Service Lease Termination
- E. Review of the Agreement for Air Services with Contour Airlines

**7. Adjourn**

**FOR YOUR INFORMATION**

Next Regular Meeting Monday, \_\_\_\_\_, at 5:30 p.m.

Persons with disabilities should call the City of Page at 928-645-8861 for program and services information and

accessibility.

If you would like to receive City Council and Board agenda notifications via email, please visit our public portal and sign-in or create an account to subscribe: <https://pageaz.portal.civicclerk.com/>.

DISCLAIMER: Agenda Items may be taken out of order. This agenda may be subject to change up to 24 hours prior to the meeting. Please see the local crier boards or our website at [cityofpage.org](http://cityofpage.org) for the current agenda.

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the attached notice was duly posted at the following places: City Hall Bulletin Board located at 697 Vista Avenue, Page, Arizona; Justice Building Bulletin Board located at 547 Vista Avenue, Page, Arizona; U. S. Post Office Lobby located at 44 Sixth Avenue, Page, Arizona, on the \_\_\_\_ day of \_\_\_\_\_, 20 \_\_, at \_\_\_\_\_ a.m./p.m.

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CITY OF PAGE



**Airport Advisory Board  
Regular Meeting Minutes  
Tuesday, January 27, 2026**

A Regular Meeting of the Airport Advisory Board was held at 5:30PM on the 27<sup>th</sup> of January, 2026 in the Council Chambers at Page City Hall. Chair Pro-Tem Sean Brown presided. Board members Neil Salmi, Mario Bevilacqua Von Gunderrode, Justin Feldman, Michael Preller, Sean Brown, Vernon Randel, Scott Golba, and Council Liaison Mike Farrow were present.

Chair Pro-Tem Sean Brown called the meeting to order at 5:31 p.m.

Staff members present: Airport Director, Lore Davis-McCluskey; City Clerk, Cindy Scott; and City Attorney, Josh Smith.

**HEAR FROM THE CITIZENS**

No citizens addressed the Board or Commission.

**NEW BUSINESS**

**APPOINT CHAIR AND CO-CHAIR**

City Clerk, Cindy Scott and Council Liaison, Mike Farrow provided information. There was discussion.

Vernon Randel nominated Justin Feldman to the position of Chair. Justin Feldman declined the nomination.

Motion was made by Michael Preller to nominate Mario Bevilacqua Von Gunderrode as Chair. The motion was seconded by Scott Golba and passed unanimously upon a vote.

Mario Bevilacqua Von Gunderrode nominated Michael Preller to the position of Co-Chair. Michael Preller declined the nomination.

Motion was made by Michael Preller to nominate Sean Brown to Co-Chair. The motion was seconded by Vernon Randel and passed unanimously upon a vote.

**AIRPORT BOARD TRAINING**

City Clerk, Cindy Scott and City Attorney, Josh Smith, presented. There was discussion.

**BOARD MEETING DATE CHANGE REQUEST**

Lore Davis-McCluskey, Airport Director provided information. There was discussion.

Motion was made by Mario Bevilacqua Von Gunderrode to change airport advisory board meetings to the second Monday of each month, with the next advisory board meeting being held on Monday, February 9, 2026. The motion was seconded by Sean Brown and passed unanimously upon a vote.

**APPROVAL OF THE BYLAWS**

Josh Smith, City Attorney presented.

There was discussion.

Motion was made by Justin Feldman to approve the Bylaws. The motion was seconded by Scott Golba and passed unanimously upon a vote.

Council Liaison, Mike Farrow and City Attorney, Josh Smith provided some guidance.

**ADJOURN**

The meeting was adjourned at 6:04 p.m.

\_\_\_\_\_  
Lore Davis-McCluskey  
Staff Liaison

\_\_\_\_\_  
Mario Bevilacqua Von Gunderode  
Chair

**CERTIFICATION**

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Airport Advisory Board Regular Meeting, held on the 27<sup>th</sup> of January 2026. I further certify that the meeting was duly called and held and that a quorum was present.

Dated this February 9, 2026

\_\_\_\_\_  
Lore Davis-McCluskey, Staff Liaison

## **FIRST AMENDMENT TO AIRPORT LEASE AGREEMENT**

This First Amendment to Airport Lease Agreement ("First Amendment") is entered into this 4<sup>th</sup> day of December, 2024 ("Effective Date"), by and between the City of Page, a municipal Corporation organized and existing under the laws of the State of Arizona ("Lessor") and Westwind Aviation, Inc., an Arizona corporation ("Lessee"), amending that certain lease between Lessor and Lessee dated January 8, 2014 ("Lease").

### **RECITALS:**

- A. Lessor and Lessee are parties to the Lease, pursuant to which Lessor leased to Lessee property located at the Page Municipal Airport as further outlined in the Lease.
- B. Lessee desires to modify the Exclusive Use Space set forth in the Lease by removing Counter E from the Exclusive Use Space and adjusting the rent accordingly.
- C. The parties now desire to amend the Lease to accomplish the purpose stated herein.

### **AGREEMENT:**

In consideration of the foregoing recitals and the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt of which are hereby acknowledged, Lessor and Lessee agree as follows:

1. All capitalized or defined terms have the meaning attributed to them in the Lease.
2. Incorporation by Reference. Except as outlined herein, the Lease is hereby incorporated by reference into this First Amendment. The parties hereto agree to be bound by all terms, conditions, covenants, and obligations in said Lease as if each were again fully set forth verbatim herein, unless modified in this First Amendment.
3. The parties agree that Section 2.1.1 of the Lease is hereby amended as follows to remove Counter E from the Exclusive Use Space:  
  
2.1.1 Exclusive Use Space. Lessee shall be entitled to the exclusive use of Space A and B located on the 1st level of the Airport Main Terminal, containing a total of 712 square feet of space (collectively the "Exclusive Use Space"), as indicated in the City's Request for Proposal published November 6, 2013.
4. The parties agree that pursuant to Section 4.1.1 of the Lease, the new annual Base Lease Rate will be \$41,673.36 plus tax & utilities.
5. The parties agree that Exhibit A to the Lease is hereby amended to conform to this First Amendment by removing Counter Space E as a leased space.
6. In the event of a conflict between the terms of the Lease and this First Amendment, the First Amendment shall control with respect to those matters expressly modified herein,

but only to the extent of such modifications. As to all other terms, the Lease shall control. Except as expressly amended by this First Amendment, the Lease remains unmodified and in full force and effect. From and after the Effective Date, all references to the Lease shall mean the Lease as modified by and incorporating this First Amendment.

CITY OF PAGE

WESTWIND AVIATION

By: William R. Diak  
Its: Mayor

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Approved as to form:

[Signature]  
City Attorney

but only to the extent of such modifications. As to all other terms, the Lease shall control. Except as expressly amended by this First Amendment, the Lease remains unmodified and in full force and effect. From and after the Effective Date, all references to the Lease shall mean the Lease as modified by and incorporating this First Amendment.


CITY OF PAGE

WESTWIND AVIATION

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: Elijah Riggs  
Its: Director of Operations

Approved as to form:

 11/26/2024

\_\_\_\_\_  
City Attorney

## **AIRPORT LEASE AGREEMENT**

This Airport Lease Agreement ("Agreement" or "Lease") is made and entered into this 8<sup>th</sup> day of January, 2014 (the "effective date"), by and between the City of Page, a municipal corporation organized and existing under the laws of the State of Arizona ("Lessor"), and Westwind Aviation, Inc., an Arizona corporation ("Lessee").

### **RECITALS**

A. Lessor owns, operates, and regulates the Page Municipal Airport located in the City of Page, County of Coconino, State of Arizona, including all real property, facilities, public services, and public utilities thereon ("Airport").

B. Lessor has designated specific areas of the Airport as suitable for the location and conduct of certain air carrier operations.

C. Lessor desires to lease a portion of the Airport to Lessee for the purpose of conducting an air taxi operation related business activities thereon.

D. Lessee desires to lease certain areas, facilities, rights, licenses, services, and privileges in connection with its development and operation of an air taxi operations and related activities at the Airport.

E. Lessor desires to maximize charter flights and other passenger services in order to generate additional enplanements at the Airport in an amount sufficient to allow the Airport to maintain its classification as an airport eligible to receive certain financial assistance from the Federal Aviation Administration and the U.S. Department of Transportation.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and covenants contained herein, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

### **ARTICLE I DEFINITIONS**

The following terms shall have the meanings set forth below whenever used in this Agreement, except where the context clearly indicates otherwise.

1.1 Air Taxi Operator. A person, firm or corporation engaged directly in air transportation or passengers and/or property subject to the provisions of Part 135.

1.2 Airport Main Terminal. The term "Airport Main Terminal" shall refer to the

main terminal building located at the Airport.

1.3 City. The term "City" shall refer to the City of Page, Arizona, an Arizona municipal corporation.

1.4 Improvements. The term "Improvements" shall mean and refer to all structures, buildings, facilities, walls, landscaping and improvements of any type or kind constructed or built on the Premises.

1.5 FAA. The term "FAA" shall mean and refer to the Federal Aviation Administration of the United States Government or any federal agency succeeding to the jurisdiction of the Federal Aviation Administration.

1.6 Premises. The term "Premises" shall mean and refer to that portion of the City of Page Airport property as more fully set forth in the descriptions attached as Exhibit "A", that is provided to Lessee for Lessee's exclusive and non-exclusive use and enjoyment pursuant to the terms of this Agreement.

1.7 Property. The term "Property" shall mean and refer to that portion of the Airport property that is leased to Lessor by the City.

1.8 Public Airport Facilities. The term "Public Airport Facilities" shall mean and refer to all public airport facilities and appurtenances including, but not limited to, approach areas, runways, taxiways, aprons, aircraft and automobile parking areas, roadways, sidewalks, navigational and navigational aides, lighting facilities, and other public facilities of the Airport exclusive of the Premises as defined herein.

## **ARTICLE II PREMISES AND PRIVILEGES**

2.1 Premises. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor the Premises for Lessee's use, according to the terms and conditions set forth herein.

2.1.1 Exclusive Use Space. Lessee shall be entitled to the exclusive use of Space A, B, and Counter E located on the 1st level of the Airport Main Terminal, containing a total of 839.2 square feet of space (the "Exclusive Use Space"), as indicated in the City's Request for Proposal published November 6, 2013.

2.1.2 Non-exclusive Use Space. Lessee shall be entitled to the Non-exclusive use of three tie-down spaces located on the main ramp, north of the Airport Main Terminal.

2.2 Use of Airport. The Premises shall be used by the Lessee only for conducting the aviation business activities specified in this Agreement and shall be used for no other purposes unless the Lessor otherwise agrees in writing in advance. Lessor

hereby grants the Lessee the following general privileges, uses and rights, all of which are subject to the terms, conditions, and covenants hereinafter set forth and all of which are non-exclusive relative to the Public Airport Facilities.

2.3 Use of Airport Public Facilities. Lessee shall be allowed the general use of all Public Airport Facilities and improvements which are now or may hereafter be constructed and are appurtenant to the Airport, except as hereinafter provided, to be used by the Lessee for the operation herein defined. The right of ingress and egress from the Premises over and across the public roadways serving the Airport may be utilized by Lessee, its agents, patrons, and invitees, subject to the City's ordinances, rules and regulations as now or may hereinafter be applicable to the Airport. Use of the Premises including any hangars, tie-downs and movable or portable hangars for repair, maintenance, or storage of automobiles, boats travel trailers, recreational vehicles, or other property not related to aircraft or air aviation is expressly prohibited.

2.4 Scope of Grant of Privileges Lessor hereby grants to Lessee the general privileges, uses, and rights set forth in this Article II, all of which are further subject to the terms, conditions, and covenants of this Agreement, and all of which, except for Lessee's exclusive right to use and possession of the Exclusive Use Space during the terms of this Agreement, will be non-exclusive relative to the Airport.

2.5 Permitted Uses. Lessee shall be entitled to use of the Premises, Public Airport Facilities and Airport for the non-exclusive right to **engage in the business of an Air Taxi and Aircraft Charter Services**. The Premises, Public Airport Facilities and Airport shall not be utilized by Lessee for any purpose other than the conduct of Lessee's Air Taxi and Aircraft Charter Service unless the Lessor otherwise agrees in writing in advance.

2.5.1 *Air Taxi and Aircraft Charter Services.* Said service shall include the operation of non-scheduled, on demand, and/or contract tours or charter air transportation of passengers complying with CFR 135 FAA regulations.

2.5.1.1 *Monthly Summary Report.* Lessee shall provide monthly summary reports to Airport Director. The summary report shall include the previous month's enplanement, de-planement, and operation report. The format shall be acceptable to the Airport Director.

2.5.1.2 *Annual CFR 135 Compliance Report.* Lessee shall provide an annual CFR 135 Compliance Report to the Airport Director. The report shall demonstrate the requirements in Paragraph 2.5.1.

2.6 Right of Ingress and Egress. Lessor grants to Lessee and Lessee's employees, agents, passengers, suppliers, patrons, invitees, and furnishers of services a non-exclusive right of ingress and egress from the Premises over and across the public roadways which serve the Airport. Such right of ingress and egress shall be subject to the City's ordinances, rules and regulations applicable to the Airport.

2.7 Use of Airport Parking Lot. Lessor grants to Lessee and Lessee's employees, agents, passengers, suppliers, patrons, invitees, and furnishers of services the right to the general use of the Airport Parking Lot during the effective term(s) of this Agreement, unless such use of the Airport Parking Lot is restricted by the Federal Aviation Administration ("FAA") or Transportation Security Administration ("TSA") for security purposes, or as such use may be otherwise restricted by any governmental agency having jurisdiction over the Airport.

### **ARTICLE III TERM**

3.1 Initial Term. This Lease shall commence on the effective date of this Agreement and shall, subject to the terms hereof, including the renewal options described in Section 3.2, remain in full force and effect for five (5) years following the effective date of this Agreement (the "Initial Term"), or unless terminated earlier by either or both of the parties pursuant to the provisions of Article XIV herein below.

3.2 Option to Renew. In the event that this Lease is in full force and effect and the Lessee shall not be in default hereunder, the privilege is granted to the Lessee the option to renew the Lease for two (2) additional five (5) year terms. Said exercise of the additional options shall be subject to renegotiation of the Lease rate pursuant to Section 4.1 and applicable sub-sections. The renewal of the Lease as provided for herein shall occur only upon Lessee providing Lessor with written notice of its intention to exercise the option at least six (6) months prior, and no more than twelve (12) months prior to the expiration of the current term. If the Lessee does not exercise its option to renew the Lease as set forth herein, then this Lease shall expire at the end of the current term. If the option is properly exercised, the Lessee shall pay rents and fees at the then existing rates.

### **ARTICLE IV LEASE RATES AND FEES**

4.1 Lease Rates and Fees. As consideration for the use and enjoyment of the Premises, Property, Public Airport Facilities, rights, licenses, services, and privileges granted hereunder, Lessee agrees to pay Lessor the following lease rates, fees, and charges.

4.1.1 Base Lease Rate. Lessee agrees to pay a Base Lease Rate consistent with the rate(s) set by City Council per resolution. Each monthly rental payment, together with any additional fees as provided herein, shall be due and payable in advance on the first day of each calendar month. Any payments not received by Lessor as of the first day of each calendar month will be subject to the imposition of late charges pursuant to Section 5.1.2 herein below. Additionally, upon Lessee's exercise of the option to renew the Lease, the monthly Base Lease Rate shall be renegotiated by

Lessor and Lessee ("the New Base Lease Rate"). The New Base Lease Rate shall be effective as of the beginning of the renewal period. In no event shall the New Base Lease Rate for the renewal period be less than the Base Lease Rate established for the second year of this Agreement.

4.1.2 Late Payment. If any installment of rents or any other sums due from Lessee shall not be received by Lessor or Lessor's designee on or before the date that such amount shall be due, Lessee shall pay to Lessor a late charge equal to 10% of the amount due for each month such amount is overdue. Acceptance of such late charge by Lessor shall neither constitute a waiver of Lessee's default with respect to such overdue amount nor prevent Lessor from exercising any of the other rights and remedies granted to Lessor hereunder.

4.1.3. Payment Bond. Upon the execution of this Agreement, Lessee shall furnish to Lessor a payment bond or cash deposit conditioned upon the faithful and true performance, observation and compliance with all of the terms, conditions, and provisions of this Agreement. The payment bond or cash deposit shall be in an amount equal to \$3,560.00.

4.1.4 Utility Expense Allocation. In addition to any rental or other fee amounts due hereunder, Lessee shall be responsible for payment to Lessor of all utility expenses allocated to the Premises. Each month, the amount of utility expenses to be allocated to the Premises shall be in the same proportion to the total amount of utility expenses for the Airport Main Terminal for that month as the space of the Premises is in proportion to the total Airport Main Terminal space. For purposes of utility expense allocations, the parties agree that the Premises occupied by Lessee constitute 5.06% of the total Airport Main Terminal space.

4.1.5 Janitorial Expense Allocation. In addition to any rental or other fee amounts due hereunder, Lessee shall be responsible for payment to Lessor of all Janitorial expenses allocated to the Premises. Each month, the amount of Janitorial expenses to be allocated to the Premises shall be in the same proportion to the total amount of utility expenses for the Airport Main Terminal for that month as the space of the Premises is in proportion to the total Airport Main Terminal space. For purposes of janitorial expense allocations, the parties agree that the Premises occupied by Lessee constitute 5.06% of the total Airport Main Terminal space.

4.1.6 Taxes. Lessee shall pay all taxes, assessments, and charges of a like nature, if any, which at any time during the term of this Lease may be levied against Lessee by the United States Government, the State of Arizona, any municipal corporation, or any other governmental tax assessment body, upon or in respect to the Premises or any of Lessee's personal property situated on the Premises.

4.1.7 Adjustment to Base Lease Rate. If during the term of this Lease, upon the expiration of the first twelve (12) months, and each succeeding twelve (12) months, the Consumer Price Index (CPI) published by the United States Department of Labor, Bureau of Labor Statistics, All Urban Consumers, Flagstaff, Arizona (Western

Urban), shows a rise in the cost of living index for all products for the prior year, the Lessees shall pay to the Lessor, as additional base fee, such percentage of the fee as is proportional to the rise in such index from the prior year for each year remaining under this agreement. The sum so calculated shall constitute the new Base Lease Rate. In no event shall the new Base Lease Rate be less than the Base Lease Rate payable for the month immediately preceding the applicable CPI Adjustment Date. If the Index is discontinued during the Term, such other governmental index or replacement index or computation shall be used in order to obtain substantially the same result as would be obtained if the Index had not been discontinued.

## **ARTICLE V MAINTENANCE SERVICES PROVIDED BY LESSOR**

5.1 Utilities. Lessor shall provide the Premises and other areas of the Airport Main Terminal building with heating, ventilation and air conditioning, normal electric services, and trash removal. Lessor shall provide water and sewer utility services to the Airport Main Terminal building. Lessee shall pay for Lessee's allocated portion of the actual expenses incurred by Lessor for the provision of such utilities to the Premises pursuant to the provisions of Section 4.1.4 herein above.

5.2 Maintenance Provided by Lessor. Lessor shall provide all janitorial services to the Premises and other areas of the Airport Main Terminal. Lessor shall keep, or make appropriate arrangements to keep, the Airport Main Terminal and Public Airport Facilities adequately equipped, furnished, decorated, clean and presentable. Lessor shall provide for trash removal from the Airport and Lessee shall place all of Lessee's trash in designated areas/containers. Lessee shall pay for Lessee's allocated portion of the actual expenses incurred by Lessor for the provision of such janitorial services and trash removal to the Premises pursuant to the provisions of Section 4.1.5 herein above.

5.3 Maintenance of Airport. Lessor or the City shall maintain or cause to be maintained and repaired in good condition all areas of the Public Airport Facilities, including, but not limited to, the Airport Main Terminal, other Airport buildings, vehicular parking areas, runways, field lighting, taxi strips, roadways, parking aprons, and all appurtenances, facilities, and services now or hereafter connected with the foregoing.

5.4 Operation as a Public Airport. Lessor and the City agree that at all times Lessor and the City will operate and maintain the Airport facilities as a public airport consistent with and pursuant to assurances given by the City to the United States Government under the Federal Airport Act and consistent with the terms and conditions of this Lease. Lessor further agrees to manage the Airport in a reasonable and prudent manner and to use due diligence in the operation and maintenance of Airport facilities.

**ARTICLE VI  
MAINTENANCE BY LESSEE**

6.1 Maintenance by Lessee. Lessee agrees to maintain the Premises in a reasonably safe, clean and orderly condition and to keep the Premises and immediate grounds reasonably free from trash and litter. With respect to any improvements constructed by Lessee on the Premises, Lessee shall, at Lessee's own expense, maintain all such improvements and appurtenances thereto in a reasonably good condition.

6.2 Reimbursement for Damages to Public Airport Facilities. Lessee shall, upon presentation of invoices sufficiently describing any repairs performed, reimburse Lessor for all reasonable and necessary expenses actually incurred by Lessor in repairing any damage to the Public Airport Facilities where such damage was the result of any willful misconduct or gross negligence by Lessee or Lessee's employees or agents.

**ARTICLE VII  
CONSTRUCTION AND INSTALLATIONS BY LESSEE**

7.1 Permission of Lessor Required. Except as provided for herein, Lessee shall not construct or make any alterations, additions, improvements to, or installations upon the Premises without the prior written permission of the Lessor. Notwithstanding anything to the contrary, and as set forth more fully in Article VIII of this Agreement, Lessee shall be entitled to impose a mortgage or other encumbrance on the improvements without obtaining the prior written consent of the Lessor; provided, however, that any such mortgage or lien may only be imposed for the purpose of obtaining financing associated with the development of the Premises.

7.2 Construction of Improvements. Any construction that may be performed by the Lessee pursuant to the written permission of the Lessor shall be done at Lessee's sole expense. The plans and specifications for the location, design, type of construction, dimensions and other features of any improvements to be constructed on the Premises by the Lessee shall be submitted to Lessor for Lessor's reasonable review and approval prior to commencement of construction.

**ARTICLE VIII  
ENCUMBRANCES UPON PROPERTY**

8.1 Limitations on Right to Encumber. Except as provided in Section 9.2 below, neither the Lessee nor any successors-in-interest to the Lessee shall (i) engage in any financing or any other transaction which creates any general leasehold mortgage, encumbrance or lien upon the Property, or (ii) suffer any encumbrance or lien to be made against or attached to the Property without the prior written consent of the Lessor.

In the event any mortgagee of Lessee requests confirmation that any proposed encumbrance or lien is authorized by this Agreement, the City Manager shall be authorized to provide such written confirmation as may be required.

8.2 Consent Required. Notwithstanding the provision of Section 9.1 above, Lessee shall be entitled to grant a leasehold mortgage in the Premises or allow a leasehold encumbrance or lien to attach to the Premises without obtaining the prior consent of the Lessor if the mortgage, encumbrance or lien has been granted or allowed for the purpose of obtaining any financing associated with developing the Premises as permitted by this Agreement.

8.3 Delivery of Notice. Lessee shall notify Lessor in writing prior to executing any leasehold deed of trust or other similar lien or security instrument that Lessee proposes to enter into with respect to the Premises. The notice shall set forth the name and address of the proposed mortgagee or lienor, as well as the general terms and conditions of the mortgage or lien. Failure by Lessee to notify the Lessor in writing in advance of Lessee's execution of any such instrument that will impose a leasehold mortgage, encumbrance or lien on the Premises shall be considered a material breach of this Lease.

## **ARTICLE IX CONSTRUCTION LIEN INDEMNITY**

9.1 Construction in Compliance with Applicable Law. Any and all construction activity occurring on the Property by Lessee with written permission by Lessor shall be conducted in accordance with all applicable laws, rules, and regulations of the City of Page, the State of Arizona, and the United States Government. During the course of construction, Lessee will comply, or will cause Lessee's contractors and sub-contractors to comply, with all applicable Worker's Compensation and other labor laws.

9.2 Construction Lien Indemnity. Lessee shall not permit any improvements under construction or constructed on the Premises, or Lessee's interest therein, at any time during the term of this Lease to become subject to any lien, charge or encumbrance whatsoever, other than a mortgage, deed of trust, easement, or similar encumbrance in connection with the financing thereof, or liens of non-delinquent taxes or assessments for local improvements. Lessor reserves the right to pay funds on behalf of the Lessee to remove liens in violation of this Lease and Lessee will reimburse Lessor for such payments. Lessee shall pay and discharge all claims for labor and materials prior to the expiration of the time provided for filing of liens for claims of such nature.

## **ARTICLE X INDEMNITY AND INSURANCE**

10.1 Indemnity by Lessee. Lessee shall indemnify and hold the City and

Lessor harmless from any and all fines, suits, claims, demands, actions, and/or causes of action pertaining to any personal injury, death, or property damage which arises out of or is in connection with the business operations of Lessee on the Premises or in connection with Lessee's use of the Premises; provided, however, that the Lessee shall not be liable for any injury, damage, or loss occasioned by the negligence or willful misconduct of Lessor, its agents or employees. Lessor shall give Lessee prompt and timely notice of any claim or suits instituted which in any way, directly or indirectly, contingently or otherwise, affects or might affect Lessee, and Lessee shall have the right to compromise and defend the same to the extent of Lessee's own interest.

10.1.1 Lessee shall indemnify and hold Lessor harmless from and against any liability, loss, damage, costs, or expenses (including reasonable attorney fees and court costs) arising from any Worker's Compensation claims, Unemployment Compensation claims, or Unemployment Disability Compensation claims of employees of Lessee and/or Lessee's contractors and subcontractors, or claims under similar such laws and obligations.

10.2 Indemnity by Lessor. Lessor hereby agrees to indemnify and hold Lessee harmless from any and all fines, suits, claims, demands, actions, and/or causes of action pertaining to any personal injury, death, or property damage which arises out of or is in connection with Lessor's management and operation of the Airport, provided, however, that Lessor shall not be liable for any injury, damage, or loss occasioned by the negligence or willful misconduct of Lessee or the negligence or willful misconduct of Lessee's agents or employees in the course of their employment by Lessee. Lessee shall give Lessor prompt and timely notice of any claim or suits instituted which in any way, directly or indirectly, contingently or otherwise, affects or might affect Lessor, and Lessor shall have the right to compromise and defend the same to the extent of Lessor's own interest.

10.2.1 Lessor shall not be liable for any injury to Lessee's business, for any loss of income or for damage to the goods, wares, merchandise, or other property of Lessee, Lessee's employees, invitees, customers, or any other person in or about the Premises, or for any injury to the person of any of Lessee's employees, agents, or contractors unless such damage, loss, or injury is caused by, or is the result of, any negligence or willful misconduct of Lessor, its employees or agents. Lessor shall not be liable for any damages arising from any act of any other Airport tenant, unless Lessor has ordered, approved, or in any way acquiesced to such act.

10.3 Certificates of Insurance. In addition to the indemnities required in this Article XI, Lessee shall maintain policies of insurance in the following types and amounts of coverage:

10.3.1 Commercial General Liability. Comprehensive public liability and property damage insurance in a kind and form satisfactory to Lessor with a minimum limit of liability of not less than One Million Dollars (\$1,000,000) for any one accident and a minimum limit of liability of not less than One Million Dollars (\$1,000,000) in the aggregate for each calendar year. An Umbrella or Following Form Excess Liability

Policy may be used to complete the One Million Dollar (\$1,000,000) limits required by this Section 11.3.1.

10.3.2 Worker's Compensation and Employees Liability. Lessee shall provide and keep in full force and effect during the term of this Lease a policy of Worker's Compensation insurance covering those employees of Lessee who are employed by Lessee at the Premises.

10.4 Certificates of Insurance. Each Certificate of Insurance for the policies of insurance described in Section 11.3 shall name Lessor and the City as additional insureds and a copy of each Certificate of Insurance shall be filed with the City Clerk and City Risk Manager within thirty (30) days after the issuance of such Certificate of Insurance or within thirty (30) days after the execution of this Agreement, whichever date is later. Each Certificate of Insurance shall provide that insurance coverage for such policy of insurance will not be canceled or reduced without at least sixty (60) days prior written notice to Lessor and the City.

10.5 Insurance Companies Acceptable to Lessor and the City. Each policy of insurance described in Section 11.3 shall be issued by an insurer of recognized responsibility that is reasonably satisfactory to Lessor.

## **ARTICLE XI RULES AND REGULATIONS**

11.1 Compliance with Law. Lessee shall observe and comply with all laws, ordinances, rules, and regulations, now in effect or hereafter promulgated, of the United States Government, the State of Arizona, the County of Coconino, and the City of Page, and all governmental agencies which have jurisdiction over the Airport or the operation, management, maintenance, or administration of the Airport. Upon written request by Lessor, Lessee shall provide to Lessor copies of permits, licenses, or other documents which evidence Lessee's compliance with such applicable laws. Lessee shall, at Lessee's sole expense, obtain the licenses and/or permits required in connection with the operation of Lessee's air transportation services business on the Premises or Property.

11.2 Compliance with FAA Regulations. Lessee agrees to comply with the following Federal Aviation Administration regulations:

11.2.1 Non-Discrimination for Another Similar Service. Lessee covenants and agrees that in the event facilities are constructed, maintained, or otherwise operated on said Property described in this Lease Agreement for a purpose for which U.S. Department of Transportation ("USDOT") programs or activity is extended for another purpose involving the provision of similar services or benefits, the Lessee shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Title 49, Code of Federal Regulations, USDOT, Subtitle A, Office of the Secretary, Part 21, Nondiscrimination in Federally Assisted

Programs of the U.S. Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

11.2.2 Non-Discrimination in Construction and Use of Premises. Lessee covenants and agrees that: (1) no person on the grounds of race, color, or national origin shall be excluded from participation in, denied the benefits of, or be otherwise subject to discrimination in (i) the use of the Premises, (ii) the construction of any improvements on, over, or under the land occupied by the Premises, or (iii) the furnishing of services on the Premises, and (2) Lessee shall use the Premises in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally Assisted Programs of the U.S. Department of Transportation - Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended.

11.2.3 Non-Discrimination Breach. In the event of breach of the above nondiscrimination covenants set forth Sections 12.2.1 and 12.2.2, Lessor shall have the right to terminate this Agreement in accordance with the notice, appeal, and other required procedures of Title 49, Code of Federal Regulations, Part 21.

11.2.4 Affirmative Action Program. Lessee agrees to undertake an affirmative action program as required by 14 CFR, Part 152, Subpart E, to insure that no person shall on the grounds of race, creed, color, national origin, or sex shall be excluded from participating in any employment activities covered in Title 14, Code of Federal Regulations, Part 152, Subpart E.

11.2.5 Non-Discriminatory Pricing. Lessee agrees to furnish Lessee's accommodations and/or services on a fair, equal and not unjustly discriminatory basis to all users thereof, and Lessee agrees to charge fair, reasonable and not unjustly discriminatory prices for services provided by Lessee; provided, however, that Lessee may be allowed to make reasonable and nondiscriminatory discounts, rebates or other similar type price reductions to volume purchasers.

11.3 Right to Improve Landing Area. The City reserves the right to further develop or improve the landing area of the Airport as the City sees fit, regardless of the desires or opinions of the Lessee and without hindrance or interference.

11.4 Right to Maintain the Airport. City reserves the right to maintain and keep in repair the landing areas of the Airport and all Public Airport Facilities. Lessee shall not, without the prior written consent of the City, commence or engage in any repair or maintenance activities with regard to the landing areas of the Airport or the Public Airport Facilities.

11.5 Subordination. This Lease Agreement shall be subordinate to the provisions and requirements of any existing or future Agreement between the City and the United States Government relative to the development, operation, or maintenance of the Airport.

11.6 Reservation of Airspace. There is hereby reserved to City, its successors and assigns, for the use and benefit of the whole public, a right of passage of aircraft in the airspace above the surface of the Premises herein leased. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft used for navigation or flight through the said airspace or landing at, taking off from, or operation on the Page Municipal Airport.

11.7 Airspace Notice of Construction. Lessee agrees to comply with the Airport Master Plan, Airport Layout Plan and the notification and review requirements covered in Part 77 of the Federal Aviation Administration Regulations in the event future construction of a building is planned for the Property or Premises, or in the event of any planned modification or alteration of any present or future building or structure situated on the Property or Premises. Upon written request from Lessee, Lessor agrees to provide to Lessee with a copy of the then current Airport Master Plan and Airport Layout Plan, as amended. Lessee agrees to reimburse Lessor for all reasonable costs actually incurred by Lessor in providing such copies to Lessee.

11.8 Limitation on Structures. Except as otherwise permitted by Article VI of this Agreement or as permitted in writing by Lessor, Lessee may not erect or grow, nor permit the erection or growth of, any structure or object on the Property.

11.9 No Interference with Airport Operations. Lessee shall not use the Premises in any manner that either (i) interferes with the landing and taking off of aircraft from the Page Municipal Airport or (ii) otherwise constitutes an unreasonably hazardous condition. In the event the aforesaid covenant is breached, Lessor reserves the right to enter upon the Premises and cause the abatement of such interference at the expense of Lessee.

11.10 No Exclusive Right. It is understood and agreed that nothing herein contained shall be construed to grant or authorize the granting of an exclusive right within the meaning of Section 308a of the Federal Aviation Act of 1958 (49 U.S.C. 1349a).

11.11 War or National Emergency. This Agreement shall be subject to any right the United States Government now has or in the future may have or acquire, affecting the control, operation, regulation, and take over of the Airport or the exclusive use or nonexclusive use of the Airport by the United States during time of declared or undeclared war, national emergency, or pursuant to acts of terrorism.

11.12 Subletting and Assignment.

11.12.1 Lessee shall let, sublet, or assign the Premises in whole or part, without the prior written consent of the City through its City Manager. Such consent shall be deemed to have been given if, within thirty (30) days after receipt by Lessor of a written notice in which Lessee shall designate the intended transferee or

assignee of the Premises, the City Manager does not, in writing, disapprove of the proposed action. (This provision shall not apply to placing of mortgages, deeds of trust, or similar liens on the improvements made on the Premises, or to voluntary or involuntary transfers of such security instruments, as provided in Article IX herein above.)

11.12.2 Lessee and all prospective sub-lessees or assignees are required to comply with the requirements of Chapter 14 of the Code of the City of Page.

## **ARTICLE XII TOTAL OR PARTIAL DESTRUCTION OF PREMISES**

12.1 Total or Partial Destruction of Improvements. If at any time during the term of this Agreement, the Premises, or the improvements thereon, shall be destroyed by fire, earthquake, or other calamity, and if the destruction or damage is of such nature as to render the Premises unsuitable for the conduct of air transportation operations by the Lessee as determined jointly by the City, Lessor and Lessee, then Lessee may, within ninety (90) days following such damage or destruction, give written notice of termination to Lessor and this Agreement shall terminate.

## **ARTICLE XIII TERMINATION**

13.1 Termination by Either Party Upon Occurrence of Event. Lessor or Lessee may cancel this Agreement by giving sixty (60) days advance written notice to the other party to be served as hereinafter provided, upon or after the happening of any one of the following events:

13.1.1 The failure or refusal of the FAA or TSA, at any time during the term of this Agreement, to permit Lessee to operate in or from the Airport and such refusal or failure is not reversed or cured within the sixty (60) days notice period.

13.1.2 Issuance by any court of competent jurisdiction of an injunction in any way preventing or restraining the use of the Airport or any part thereof for airport purposes which affects the Lessee's operation; and the remaining in force of such injunction for a minimum period of ninety (90) days if the injunction materially affects the Lessee's normal operations.

13.1.3 The inability of Lessee to use, for a period in excess of ninety (90) days, the Airport or the Premises, or any of the rights, licenses, services, or privileges leased to Lessee hereunder because of any law or any order, rule, regulation, or other action or any non-action of the FAA or any other governmental authority, or because of fire, earthquake, or other casualty or acts of God or act of terrorism.

13.1.4 The assumption by the United States Government or any authorized agency thereof of the operation, control, or use of the Airport or any substantial portions thereof, in such a manner as to substantially restrict Lessee, for a period of ninety (90) days, from operating Lessee's normal operations thereon.

13.2 Modification of Lease Due to Relocation. This Lease may be modified by City should the need arise to relocate the Lessee elsewhere on the Airport or the City builds a new airport elsewhere. In such event, City will provide Lessee with at least ninety (90) days advance written notice. In the event that either (i) relocation of Lessee's leasehold improvements or (ii) relocation of Lessee's leased premises within the present Airport is required by Lessor or the City, then Lessor or the City will, at no cost to Lessee, relocate Lessee's improvements and/or provide Lessee with such improvements as are comparable to those improvements then in existence on the Premises. In the event a relocation of the present airport occurs during the period of this Lease, Lessor shall reimburse Lessee for the replacement cost of any improvements located on the Premises which are not relocated by Lessee to the new airport premises.

13.3 Termination of Lease Due to Conflict of Interest (A.R.S. §38-511). Pursuant to ARS §38.511, the Lessor may, within three years after the execution of this Agreement, cancel this Agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of the Lessor, is at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of any other party to the Agreement in any capacity or a consultant to any other party of the Agreement with respect to the subject matter of the Agreement. Lessor further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this Agreement on behalf of Lessor from any other party to the Agreement, arising as a result of the Agreement.

13.4 Termination by Lessee. At the expiration or termination of any Essential Air Service contract ("EAS Contract") between Lessee and the United States Department of Transportation ("DOT") or any governmental agency succeeding to the jurisdiction of the DOT, under which EAS Contract Lessee has or had agreed to provide Essential Air Services to the City of Page and/or the County of Coconino, Lessee may terminate this Agreement upon sixty (60) days prior written notice to Lessor.

13.5 Termination by Lessor: In addition to any right to terminate this Agreement for cause, Lessor reserves the right to terminate this Agreement without cause upon sixty (60) days prior written notice to Lessee.

#### **ARTICLE XIV EXPIRATION OF LEASE**

14.1 Removal of Property. Upon the termination of this Agreement, and

provided Lessee is not in default of this Agreement, Lessee shall have the right to remove all of Lessee's machinery, equipment, and property located on the Premises which are capable of being removed without injury or damage to the Premises.

14.2 Ownership of Improvements. Upon the termination of this Agreement, any permanent improvements to the Premises shall become the property of the Lessor unless the Lessor determines that it would not be in Lessor's best interest to own such improvements. In the event Lessor elects not to exercise its right to retain any or all of permanent improvements to the Premises, Lessee may, within sixty (60) days of the termination of the lease and at Lessee's sole expense, remove such permanent improvements.

## **ARTICLE XV MISCELLANEOUS**

15.1 Landlord-Tenant Relationship. Nothing contained in this Lease shall be deemed or construed to create the relationship of principal and agent or of partnership or of joint venture or of any association whatsoever between Lessor and Lessee, it being expressly understood and agreed that neither the computation of rent nor any other provisions contained in this Lease, nor any act or acts of the parties hereto shall be deemed to create any relationship between Lessor and Lessee other than the relationship of landlord and tenant.

15.2 Notices. Any notice desired or required to be served by either party upon the other or any notice provided for in this Agreement shall be in writing and shall be deemed given upon hand-delivery, by courier, or, if mailed, three (3) business days after being deposited in the United States mail, certified, return receipt requested, to the party to whom addressed, as set forth herein below:

Lessor:           City of Page  
                      P.O. Box 1180  
                      Page, Arizona 86040

Lessee:           Westwind Aviation, Inc.  
                      732 West Deer Valley Road  
                      Phoenix, AZ 85027

Any party may change the address to which notice shall be delivered or mailed by notice duly given.

15.3 Applicable Law and Venue. This Agreement shall be interpreted and enforced according to laws of the State of Arizona, except when pre-empted by Federal Law. Any State actions or proceedings between the parties arising from or related to this Agreement shall be brought and maintained in Coconino County, Arizona, Superior

Court.

15.4 Attorney Fees. In the event that either party shall institute and prevail in any action or suit for the enforcement of any of such party's rights hereunder, the prevailing party in said action shall be entitled to collect reasonable attorney fees and costs arising therefrom.

15.5 Severability. In the event any provision of the Agreement is held invalid and unenforceable, the other provisions of this Agreement shall be valid and binding on the parties hereto.

15.6 Good Faith. The parties agree to operate under this Agreement in good faith.

15.7 Waiver. No waiver of default by either party of any of the terms, covenants or conditions hereof shall be construed as a waiver of any subsequent default.

15.8 Headings. The paragraph heading used herein are for convenience only and shall not affect the construction hereof.

15.9 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original.

15.10 Successors and Assigns. This Agreement shall be binding upon and enure to the benefit of Lessor and Lessee and their respective successors and assigns.

15.11 Entire Agreement. This Agreement constitutes the complete Agreement and understanding between the parties and supersedes all prior oral and written understandings. This Agreement shall not be modified, amended, or changed except in a writing executed by both parties.

IN WITNESS WHEREOF, the parties hereto have entered into this Airport Lease Agreement effective as of the day and year first herein above written.

**LESSOR:**

**City of Page,**  
a municipal corporation organized and existing under the laws of the State of Arizona

By: William R. Deak

Its: MAYOR

Attest: Kim L. Larson

Approved as to Form:

  
City Attorney

**LESSEE:**

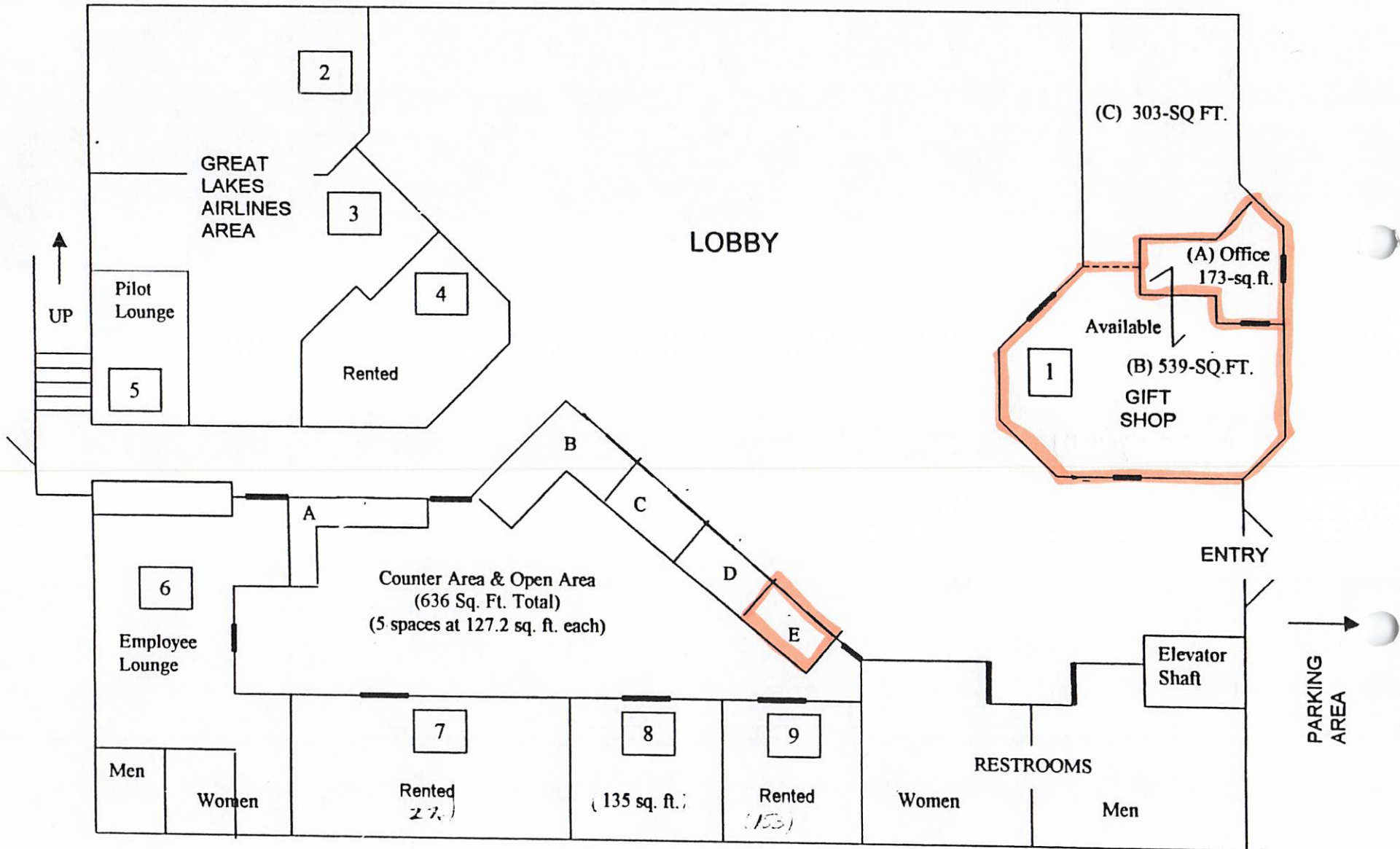
**Westwind Aviation, Inc.,**  
an Arizona Corporation

Randall Hoare

By:

its:

# PAGE AIRPORT TERMINAL [1<sup>ST</sup> FLOOR]



**AGREEMENT FOR AIR SERVICES  
BY AND BETWEEN  
THE CITY OF PAGE  
AND  
CORPORATE FLIGHT MANAGEMENT, INC. D/B/A CONTOUR AIRLINES**

This Agreement for Air Services (this "Agreement") is made and entered into as of this 1st day of October 2020 (the "Effective Date") by and between Corporate Flight Management Inc. d/b/a Contour Airlines, a Tennessee corporation with its principal office at 808 Blue Angel Way, Smyrna, Tennessee 37167 ("Contour"), and The City of Page, a municipal corporation of the State of Arizona with its principal administrative office at 697 Vista Avenue, Page, Arizona 86040 (the "City").

**Recitals**

**WHEREAS**, the City is the owner and operator of the Page Municipal Airport - Royce K. Knight Field with its principal administrative airport office at 238 N 10th Avenue, Page, Arizona 86040 ("Airport" or "PGA"); and

**WHEREAS**, the City, under Docket Number DOT-OST-21997-2694, Order 2020-9-18 ("Order") and pursuant to 49 U.S.C. § 41745(a), has been awarded a grant by the U.S. Department of Transportation ("DOT") in the total amount of \$8,348,844 under DOT's Alternate Essential Air Service Program ("Grant"), which the City will use to fund passenger air service at PGA; and

**WHEREAS**, Contour is a licensed direct air carrier under 14 C.F.R. Parts 119, 135, and 298, and holds all licenses, certificates, and permits from applicable governmental authorities for the conduct of its business as a direct air carrier; and

**WHEREAS**, DOT conducted a traditional Essential Air Service air carrier selection process for PGA. The City elected to opt out of the traditional Essential Air Service process and instead selected Contour to provide Alternate Essential Air Service ("AEAS") at PGA as permitted by 49 U.S.C. § 41745(a) and DOT's Order dated July 27, 2004 establishing AEAS (docket DOT-OST-2004-18715). DOT accepted the City's AEAS election and its selection of Contour, with all AEAS flights to be conducted in accordance with 14 C.F.R. Pt. 380, subject to the terms and conditions of the Order and Grant.

**WHEREAS**, the City and Contour have entered into an Airport Terminal Lease Agreement dated August 8, 2018, which provides to Contour certain exclusive use space in the Airport's passenger terminal and permits Contour to use other of the Airport's facilities in connection with providing AEAS (the "Related Agreement"); and

**WHEREAS**, the parties hereto desire to enter into this Agreement to define the terms and conditions under which Contour agrees to provide AEAS under 14 C.F.R. Pt. 380, and the City agrees to pay Contour for said services through and subject to the Grant in order to guarantee Contour a minimum revenue for the AEAS.

**NOW THEREFORE**, in consideration for the mutual promises set forth herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree, as follows:

1. **Incorporation of Recitals and Attachments.** The Recitals stated above and the Attachments hereto are integral parts of this Agreement and are incorporated herein as if restated in their full text.
2. **Term.** This Agreement shall commence on the Effective Date, and unless sooner terminated in a manner expressly provided for herein, shall remain in full force and effect until September 30, 2022.
3. **Scope of Services.** Contour shall provide the AEAS as further detailed in Attachment A hereto, with a published timetable that supports a first flight date on October 1, 2020. The actual start of the AEAS is subject to the satisfaction of all applicable provisions of this Agreement and of the Related Agreement as well as the issuance of an approved 14 C.F.R. Pt. 380 Public Charter Prospectus ("Prospectus") by DOT. Consistent with the Grant, Contour shall disclose in its solicitation materials for the flights provided under this Agreement that the flights are public charters, and consistent with 14 CFR 380.30(a), (i) that Contour is the public charter operator; and (ii) that Contour is also the direct air carrier that directly engages in the operation of the aircraft for the public charter flights.

Contour shall not be required to perform under this Agreement until the City and DOT have executed an agreement for DOT's Grant award ("Grant Agreement") under the AEAS program.

The City warrants and represents that it will take all steps necessary to have the Airport "Federalized" as that term is used by the Transportation Security Administration ("TSA") and to have all equipment and personnel (whether provided by the TSA or otherwise) in place and ready to screen passengers and baggage by October 1, 2020. The parties acknowledge and agree that Contour is not obligated to perform under this Agreement unless TSA screening is in place at PGA.

In addition, the parties understand and agree that no press releases, other media coverage (including, but not limited to, announcements on either party's web site), marketing, or other public discussion of the start date or other specifics of the AEAS until Contour has obtained an approved Prospectus from the DOT.

Contour reserves the right to make all operational, ticket pricing, and ticket distribution decisions regarding the AEAS.

4. **Compensation for Services.**

In accordance with the terms and conditions set forth in the Grant Agreement between the City and DOT, the City agrees to pay, and Contour agrees to accept the compensation for Flight Segments and Non-Completed Flights during the Grant period of October 1, 2020, through

September 30, 2022 as set forth in Attachment A hereto ("Compensation for Services").

Except as otherwise permitted by DOT and the Grant, the City and Contour agree that planned Flight Segments that are cancelled in advance (prior to take off) may not be compensable for reasons including, but not limited to: temporary flight restrictions, no booked passengers in an outbound and corresponding return Flight Segments (as noted in Attachment A), mechanical issues, ATC issues, and crew shortages/issues (each a "Non-Completed Flight Segment"). As stated in the Grant, DOT will consider reimbursement of certain specific fixed, line-item expenses relating to Non-Completed Flight Segments under this Agreement (e.g. for fixed line item expenses related to Non-Completed Flight Segments arising due to airfield construction that leads to an extended closure of runway(s)). Such reimbursements must be directly related to fixed auditable expenses incurred by Contour despite the Flight Segments being cancelled. Per the Grant, such reimbursements must be paid to Contour prior to being considered for reimbursement by DOT. The total of such reimbursements for Non-Completed Flight Segment fixed, auditable expenses will not exceed the applicable limit stated in Attachment A for any month during the Term.

Contour will retain all revenue it earns from ticket sales and fees collected under this Agreement.

**5. Invoicing and Payment.**

- A. Not later than the fifth (5<sup>th</sup>) business day of each calendar month, Contour will invoice the City for the Compensation for Services performed for the prior calendar month.
- B. Within thirty (30) days of the City's receipt of said monthly invoice from Contour, the City will submit the Compensation for Services to Contour via ACH payment as provided by Contour in a separate written communication to the City, in accordance with and subject to the Grant Agreement, DOT's rules and regulations, as well as applicable state and federal law.
- C. Subject to Section 4 of this Agreement, the obligations of the City, its agents and employees under this Section 5 will survive the expiration or termination of this Agreement.

- 6. Laws, Ordinances, and Regulations.** Contour agrees that in its performance under this Agreement and the Related Agreement, it will comply with all present and future valid laws, ordinances, rules, and regulations of the Federal Government, State of Arizona, County of Coconino, the City of Page, the Airport (as its rules and policies are reasonably adopted), and agencies thereof relating to the subject matter of this Agreement and the Related Agreement. Contour will not engage and will not knowingly allow third parties illegal or unsafe conduct under this Agreement or the Related Agreement. Contour will ensure that it, and any party with which it contracts, will comply with all applicable Federal laws, regulations, executive orders, policies, guidelines, and requirements as they relate to the application, acceptance and use of the Grant funds under this Agreement and its performance under the Related Agreement including but not limited to the following, as each may be amended in the future:

***Federal Legislation:***

- Fair Labor Standards Act of 1938 – 29 U.S.C. § 201, *et seq.*
- Hatch Act – 5 U.S.C. § 1501, *et seq.*
- National Historic Preservation Act of 1966 – Section 106 – 16 U.S.C. § 470(f).
- Archeological and Historic Preservation Act of 1974 – 16 U.S.C. §§ 469 through 469c.
- Native Americans Grave Repatriation Act – 25 U.S.C. § 3001, *et seq.*
- Clean Air Act – P.L. 90-148, *as amended.*
- Coastal Zone Management Act – P.L. 93-205, *as amended.*
- Flood Disaster Protection Act of 1973 – Section 102(a) – 42 U.S.C. § 4001, *et seq.*
- American Indian Religious Freedom Act – P.L. 95-341, *as amended.*
- Architectural Barriers Act of 1968 – 42 U.S.C. § 4151, *et seq.*
- Power Plant and Industrial Fuel Use Act of 1978 – Section 403 – 42 U.S.C. § 8373.
- Contract Work Hours and Safety Standards Act – P.L. 87-581, 76 Stat. 357 (previously referred to as 40 U.S.C. § 327, *et seq.*).
- Copeland Anti-kickback Act – 18 U.S.C. § 874.
- National Environmental Policy Act of 1969 – 42 U.S.C. § 4321, *et seq.* (consisting of P.L. 90-542 and amendments thereto).
- Wild and Scenic Rivers Act – 16 U.S.C. § 1271, *et seq.*
- Single Audit Act of 1984 – 31 U.S.C. § 7501, *et seq.*

***Executive Orders:***

- Executive Order 11246 – Equal Employment Opportunity.
- Executive Order 11990 – Protection of Wetlands.
- Executive Order 11998 – Floodplain Management.
- Executive Order 12372 – Intergovernmental Review of Federal Programs.

***Federal Regulations:***

- 14 C.F.R. Pt. 13 – Investigative and Enforcement Procedures.
- 14 C.F.R. Pt. 16 – Rules of Practice For Federally Assisted Airport Enforcement Proceedings.
- 29 C.F.R. Pt. 1 – Procedures for predetermination of wage rates.
- 29 C.F.R. Pt. 3 – Contractors and subcontractors on public building or public work financed in whole or part by loans or grants from the United States.
- 29 C.F.R. Pt. 5 – Labor standards provisions applicable to contracts covering federally financed and assisted construction (also labor standards provisions applicable to non-construction contracts subject to the Contract Work Hours and Safety Standards Act).
- 41 C.F.R. Pt. 60 – Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor (Federal and federally assisted contracting requirements).
- 49 C.F.R. Pt. 18 – Uniform administrative requirements for grants and cooperative agreements to state and local governments

- 49 C.F.R. Pt. 23 – Participation by Disadvantaged Business Enterprise in Airport Concessions.
- 49 C.F.R. Pt. 24 – Uniform relocation assistance and real property acquisition for Federal and federally assisted programs.
- 49 C.F.R. Pt. 26 – Participation by Disadvantaged Business Enterprises in Department of Transportation Programs.
- 49 C.F.R. Pt. 30 – Denial of public works contracts to suppliers of goods and services of countries that deny procurement market access to U.S. contractors.

As further assurances of its compliance with all applicable laws and rules, Contour will execute the Certification Regarding Influencing Activities in Attachment B hereto and the Certification Regarding Debarment, Suspension, and Other Responsibility Matters – Primary Covered Transactions in Attachment C hereto.

Contour will incorporate all required certifications in each second-tier subcontract and other vendor agreements in accordance with applicable law, regulation, or policy.

7. Compliance with Civil Rights Act and Related Laws and Rules. Without limiting its agreements in Section 6 hereof, Contour, for itself, its successors and assigns, agrees to comply with the following, as each may be amended in the future:

- Title VI of the Civil Rights Act of 1964, 42 U.S.C. § 2000d, *et seq.* (prohibits discrimination on the ground of race, color, or national origin) and DOT regulations issued pursuant to said Act (found at 49 C.F.R. Pt. 21), and as those statutes and regulations may be amended.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. § 4601, *et seq.* (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects).
- Federal-Aid Highway Act of 1973, 23 U.S.C. § 324, *et seq.* (prohibits discrimination on the basis of sex).
- Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. § 794, *et seq.* (prohibits discrimination on the basis of disability) and 49 C.F.R. Pt. 27.
- The Age Discrimination Act of 1975, 42 U.S.C. § 6101, *et seq.* (prohibits discrimination on the basis of age).
- Airport and Airway Improvement Act of 1982, 49 U.S.C. § 47123 (prohibits discrimination based on race, creed, color, national origin, or sex, and is in addition to Title VI of the Civil Rights Act of 1964).
- The Civil Rights Restoration Act of 1987, P.L. 100-259 (broadens the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not).
- Titles II and III of the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12131-12189 (prohibits discrimination on the basis of disability in the operation of

public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by DOT regulations (found at 49 C.F.R. Parts 37 and 38).

- Non-Discrimination in Federally-Assisted Programs at the Federal Aviation Administration, 49 U.S.C. § 47123 (prohibits discrimination on the basis of race, color, national origin, and sex of individuals that participate in an activity carried out with money received from an Airport Improvement Program).
- Executive Order 12898, as amended by Executive Order 12948, entitled “Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations”, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations.
- Executive Order 1316 entitled “Improving Access to Services for Persons with Limited English Proficiency” and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI of the Civil Rights Act of 1964, reasonable steps are required to be made to ensure that LEP persons have meaningful access to programs (70 Fed. Reg. at 74087 to 74100).
- Title IX of the Education Amendments of 1972, 20 U.S.C. § 1681, *et seq.* (prohibits sex discrimination in education programs or activities).

In addition, Contour assures that it will undertake an affirmative action program as required by 14 C.F.R. Pt. 152, Subpart E| to insure that no person, on the grounds of race, creed, color, national origin, handicap or sex, be excluded from participating in any employment activities covered in this Agreement or the Related Agreement, and that no person be excluded on the grounds from participation in or receiving the services or benefits of any program or activity covered herein. Contour further assures that it will require that its covered suborganizations provide assurances to Contour that they similarly will undertake affirmative action programs and that such covered suborganizations will require assurances from their suborganizations, as required by 14 C.F.R. Pt. 152, Subpart E, to the same effect.

8. **Contour’s Assurance Regarding Non-Discrimination.** Without limiting its agreements in Sections 6 and 7 hereof, during the performance of this Agreement, Contour, for itself, its approved assignees, and successors in interest agrees as follows:

- A. ***Compliance with Regulations:*** Contour, including its agents and any contractors, will comply with the Acts and the Regulations relative to Non-discrimination in Federally assisted programs of the U.S. Department of Transportation, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Agreement.
- B. ***Non-discrimination:*** Contour, with regard to the work performed by it during the Agreement, will not discriminate on the grounds of race, color, or national origin in the selection and retention of subcontractors, including procurements of materials and leases of equipment. Contour will not participate directly or indirectly in the discrimination

prohibited by the Acts and the Regulations, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 C.F.R. Pt. 21.

- C. *Solicitations for Subcontracts, Including Procurements of Materials and Equipment*: In all solicitations, either by competitive bidding, or negotiation made by Contour for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by Contour of Contour's obligations under this contract and the Acts and the Regulations relative to Non-discrimination on the grounds of race, color, or national origin.
  - D. *Information and Reports*: Contour will provide all information and reports required by the Acts, the Regulations, and 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 City or DOT to be pertinent to ascertain compliance with such Acts, Regulations, and instructions. Where any information required of Contour is in the exclusive possession of another who fails or refuses to furnish the information, Contour will so certify to the City or DOT, as appropriate, and will set forth what efforts it has made to obtain the information.
  - E. *Sanctions for Noncompliance*: In the event of Contour's noncompliance with the Non-discrimination provisions of this Agreement, the City will impose such contract sanctions as it or DOT may determine to be appropriate, including, but not limited to:
    - i. withholding payments to Contour under the Agreement until Contour complies; and/or
    - ii. cancelling, terminating, or suspending an Agreement, in whole or in part.
  - F. *Incorporation of Provisions*: Contour will include the provisions of subparagraphs 8.a through 8.e in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. Contour will take action with respect to any subcontract or procurement as the City or DOT may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if Contour becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, Contour may request the City to enter into any litigation to protect the interests of the City. In addition, Contour may request the United States to enter into the litigation to protect the interests of the United States.
9. **Compliance with DOT Order**. Contour and City agree to comply with their respective responsibilities and duties as set forth and implied in the DOT Order. Contour and City further agree to provide each other with written notice upon learning or obtaining information issued formally by the DOT indicating or confirming non-compliance with the following requirements as further explained under "Eligibility Discussion" of the DOT Order:
- A. the average subsidy per passenger must be less than \$1,000 during the most recent fiscal year, as determined by the DOT Secretary.

Notwithstanding the forgoing, the City and Contour acknowledge that on the Effective Date, the world-wide market for air travel has been drastically reduced due to the effects of the COVID-19 pandemic. Enplanements in the six month period prior to the Effective Date at the Airport are dramatically lower than historical levels. The City and Contour acknowledge that this situation is beyond the control of either party. The City and Contour reasonably expect that these circumstances may continue to negatively affect enplanements at the Airport throughout the first year of the Term and beyond.

10. Monthly Activity Reports. Contour shall provide to the City a monthly report of (i) number of Flight Segments scheduled; (ii) number of flights completed; (iii) for any Flight Segments cancelled, the reason for the cancellation; (iv) number of revenue passengers carried (enplanements and deplanements); and (v) total revenue. Contour's passenger reservation and departure control systems will be Contour's sole source of passenger and revenue information for this report, as well as any other passenger-related reports issued by Contour under or as a result of this Agreement or the Related Agreement. Contour's flight scheduling and dispatching system will be Contour's sole source of flight operation information for any reports submitted to the City by Contour under or as a result of this Agreement or the Related Agreement.
11. Related Agreement. Contour's performance under this Agreement is subject to the negotiation, execution, ratification, and ongoing effectiveness of the Related Agreement. The commencement of AEAS under this Agreement is predicated upon the fulfillment of each party's pre-operational obligations under the Related Agreement, if any. The commencement of AEAS under this Agreement is also predicated upon TSA's completing all steps to staff and equip PGA to screen passengers and bags on or before October 1, 2020 and the ratification of this Agreement by the governing bodies of the Airport and the City
12. Termination. This Agreement may be terminated upon fifteen (15) days' written notice to the other party (unless otherwise specified below) upon the happening of any of the following events:
  - A. By either party:
    - i. In the event that the Grant is terminated, revoked, or if DOT or the Federal Government fails or refuses to continue funding the Grant;
    - ii. Upon the termination or expiration of the Related Agreement;
    - iii. In the event that the other party is in breach or default under any provision of this Agreement and such other party does not cure such breach or default within thirty (30) days after the non-breaching or non-defaulting party gives written notice to the other party specifying the breach or default;
    - iv. At any time with or without cause upon sixty (60) days' written notice to the other party, subject to the requirements of the Grant, the Grant Agreement, and DOT rules and policies. In the event of a termination by Contour under this Section 12.A.iv, prior to the effective date of such termination, Contour will cure any default in the payment of any fees or charges to the City under the Related Agreement.

**B. By Contour:**

- i. If Contour is unable to obtain the governmental or other approvals necessary to commence or conduct the AEAS;
- ii. If Contour and the City have not executed the Related Agreement on or before November 15, 2020;
- iii. If the City fails to make any payment when due and does not make such payment within ten (10) days after written notice or demand thereof; or
- iv. In the event of a forced or voluntary grounding of one or more of Contour's aircraft types that lasts for more than ten (10) days.

**C. By the City:**

- i. If any governmental, FAA, or other air carrier fitness approvals necessary for Contour to commence or continue the AEAS are revoked or expire without being renewed and such circumstance is not cured within thirty (30) days after the City's written notice to Contour;
- ii. If TSA fails or refuses to Federalize the Airport or revokes the Airport's Federalized status and such failure, refusal, or revocation is not cured or rescinded within ninety (90) days;
- iii. If the City, in spite of its best efforts, does not receive the applicable portions of the Grant funds for any sixty (60) day period;
- iv. If, in any ninety (90) consecutive calendar day period, Contour cancels more than eight percent 8% of the Flight Segments for that 90 day period as authorized by Contour's then current Prospectus due to: (a) Aircraft mechanical or other aircraft availability issues; or (b) crew availability issues. Flight Segments cancelled due to weather, air traffic control/NOTAM, Airport or governmental actions or inaction; or events of Force Majeure (including without limitation, Force Majeure events impacting the Aircraft, Aircraft maintenance, or crew), will not be included in the calculation of cancelled Flight Segments for the purpose of this Section 12.C.iv.

**13. Remedies Upon Termination.**

- A. A termination pursuant to Sections 12(A)(ii) and 12(A)(iv) shall not limit the non-breaching or non-defaulting party's right to pursue or enforce any of its rights under this Agreement or otherwise.
- B. Any termination or expiration of this Agreement shall not affect the City's obligation to pay Contour all amounts owing to Contour as of the effective date of such expiration or termination for performance completed through such date.
- C. In the event of any termination or expiration of this Agreement for any reason, the City shall pay all amounts owed to Contour as of the effective date of expiration or termination, in accordance with the provisions of this Agreement.
- D. In the event of any termination of this Agreement (except under Sections 12(A)(i) or 12(C)(iii) hereof) or the Related Agreement by the City occurring prior to the end of the

Term of this Agreement, if the City notifies DOT that it intends to continue to maintain its link to the national air transportation system through AEAS by finding a new air carrier to provide the service described herein for the remainder of this Grant's Term or to re-enter the traditional Essential Air Service program, then such termination of this Agreement will be suspended and Contour, the City, and the Airport will continue to perform under this Agreement and the Related Agreement while the City or the DOT secures replacement air service ("Hold In"). Hold In will continue from the effective date of the City's termination through the earlier of: (i) the end of the Term; (ii) the date immediately preceding the day on which the new air carrier commences service; or (iii) such other date as the parties may mutually agree in writing. In no event will Hold In continue past September 30, 2022 unless the DOT and the City extend the term and the funding of the Grant and Contour and the City enter into corresponding extensions of the Term of this Agreement and the Related Agreement.

**14. Confidential Information.**

- A. To the extent allowed by federal and Arizona law, all parties agree to hold in strict confidence all confidential and proprietary information, either designated as such by the party disclosing the information (the "Disclosing Party") to the other party (the "Receiving Party") or under reasonable circumstances to be considered as confidential information, whether in written, oral or other form, which it received from the Disclosing Party prior to, or in the course of, this Agreement (collectively, "Confidential Information"). Each party further agrees to use the Confidential Information solely to perform or to exercise its rights under this Agreement, and at a minimum to take all measures necessary to protect against the disclosure or use of the Confidential Information as it takes to protect its own proprietary or confidential information (but in any case no less than reasonable measures). Confidential Information includes, without limitation, (i) the terms of this Agreement, and (ii) flight and accommodations booking information related to the Air Service.
- B. To the extent allowed by federal and Arizona law, all parties agree that they will not disclose any Confidential Information to any third party without the prior written consent of the Disclosing Party, (i) except when required to do so by law or by a court of competent jurisdiction; (ii) except to attorneys, accountants, air service consultants under contract to Receiving Party, or lending institutions of either party which have been informed of the confidential nature of such information; or (iii) unless such provisions are publicly known through no disclosure that is prohibited hereunder.
- C. Any party may disclose another party's Confidential Information in response to law, regulation, or a valid court order or other governmental action, provided that (a) if it can be done in compliance with the law or order, the Disclosing Party is notified in writing prior to disclosure of the information, and (b) to the extent it can be accomplished in compliance with the law or order, the Receiving Party assists the Disclosing Party, at the Disclosing Party's expense, in any attempt by the other to limit or prevent the disclosure of the Confidential Information.

15. **Advertising and Promotion.** The parties agree that all advertising and promotion for the AEAS will strictly adhere to all applicable laws, as well as all applicable rules, regulations, and interpretations of the Federal Aviation Administration and the DOT.
16. **Fares and Inventory Management.** Contour shall at all times have the right and discretion to determine air fares and to determine seat inventory based on the Gauge of Service, as defined in Attachment A hereto, provided by Contour during the Term.
17. **Governing Law.** This Agreement shall be construed in accordance with, and shall be governed by, the laws of the State of Arizona without regard to any conflict of law rules. Venue for the settlement of any and all disputes shall be the State and Federal courts of the State of Arizona.
18. **Force Majeure.** Except as otherwise expressly provided in this Agreement, neither party shall be liable for performance hereunder to the extent such performance is prevented or delayed as a result of acts of God, severe weather, natural disaster, earthquake, fire, war, military action, terrorist action, labor disputes, or any court order or action of any governmental, administrative or judicial entity or by any other reason or circumstance, similar or dissimilar, beyond the reasonable control of such party; provided, however, such party shall (a) provide the other party with prompt written notice thereof, and (b) resume performance under the Agreement within fourteen (14) calendar days of the first nonperformance. If either of the parties is unable to perform under the Agreement within fourteen (14) days of the first non-performance under this Section 18, then either party may terminate this Agreement upon written notice to the other.
19. **Indemnification.** Contour agrees to indemnify, defend and hold harmless the City and the Airport and their respective elected or appointed officials, officers, directors, employees, and agents (the "City Indemnified Parties") from and against any and all Claims arising out of or in connection with, or related to (i) the willful misconduct or negligent acts, errors or omissions of Contour as the case may be, their subcontractors, affiliates or any person directly or indirectly employed by Contour while engaged in any activity associated with or related to Contour's performance under this Agreement; and (ii) Contour's breach of its obligations under this Agreement.
- The rights and obligations of the parties under this Section 19 shall survive any termination or expiration of this Agreement.
20. **Waiver of Consequential Damages.** Except with respect to the indemnification obligations hereunder, no party shall be liable to any other for any special, incidental or consequential damages or lost profits arising out of this Agreement, even if such party had been advised of the possibility of such damages.
21. **Insurance.** At all times during the term of this Agreement, Contour shall carry and maintain, at its sole cost and expense, the insurance coverage as expressly set forth in the Related Agreement.

22. **Assignment.** No party may assign this Agreement or any interest herein without obtaining the prior written consent of the other party.
23. **Entire Agreement and Modifications.** This Agreement and the Related Agreement embody the entire agreement and understanding of the parties and, as of its Effective Date, terminates and supersedes all prior or contemporaneous agreements and understandings, whether written or oral, between the parties covering the subject matter hereof, except the Related Agreement. The provisions of this Agreement shall govern all services to be provided hereunder by the parties, and no addition, amendment, waiver, or modification of (or execution of any document contrary to) these provisions shall be effective unless signed by a duly authorized representative of each party. The Attachments to this Agreement are integral parts of the Agreement and are incorporated herein by reference as if fully restated herein. Time is of the essence in the performance of this Agreement.
24. **Severability.** In the event that any one or more of the provisions of this Agreement shall be determined to be invalid, unenforceable or illegal, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal and unenforceable provision had never been contained herein with the remainder of this Agreement being enforced to the fullest extent possible.
25. **Relationship of the Parties.** Nothing in this Agreement shall be deemed to constitute a partnership or joint venture between the parties or constitute any party to be the agent of the other party for any purpose. No party shall have any authority to act for or bind the other party in any way, or to represent that it has such authority.
26. **Notices.** Any notice required to be given by any party to any other pursuant to this Agreement shall be in writing and shall be deemed to have been properly given if delivered in person, sent by overnight delivery or sent by registered or certified mail, return receipt requested, addressed to the other party at the following address, and shall be deemed to have been given on the day so delivered, transmitted or mailed:

To Contour:

Corporate Flight Management, Inc. d/b/a Contour Airlines  
808 Blue Angel Way  
Smyrna, Tennessee 37167  
Attention: Matt Chaifetz, CEO

To the City and the Airport:

City of Page  
697 Vista Avenue  
Page, Arizona 86040  
Attention: Kyle Christiansen, Aviation Director – City of Page

Either party to this Agreement has the right to change their representative or address for notice to any other location or individuals by giving at least five (5) business days' prior written notice to the other party in the manner set forth above.

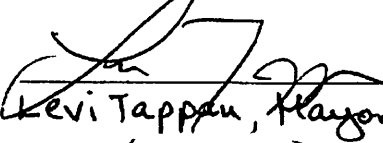
27. **Headings/Construction.** The headings contained herein are for convenience of reference and are not intended to define or limit the scope of any provision of this Agreement. The terms and conditions of this Agreement will be interpreted in accordance with their plain meaning and not for or against any presumed drafting party.
28. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties, their successors and permitted assigns. There is no intent to benefit any third parties.
29. **Further Assurances.** Each of the parties shall do and perform, at such party's expense, such further acts and execute and deliver such further instruments and documents as may be required by applicable law or as may be reasonably requested by the other party to effectuate the purposes of this Agreement.
30. **No Waiver.** No waiver of a breach of any provision of this Agreement by any party shall constitute a waiver of any subsequent breach of the same or any other provision hereof, and no waiver shall be effective unless made in writing and signed by a duly authorized representative of the waiving party. Except as expressly set forth herein, no delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
31. **No Remedy Exclusive.** Except as expressly set forth herein, no remedy herein conferred upon or reserved to a party herein is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and in addition to every other remedy given under this Agreement or now or hereafter existing at law, in equity or by statute. In order to entitle a party to exercise any remedy reserved to it in this Agreement, it shall not be necessary to give any notice other than such notice as may be herein expressly required.
32. **Expenses.** Unless otherwise specified in this Agreement, each party to this Agreement agrees to be responsible for its own costs, expenses, and charges (including, without limitation, legal fees, advisory fees, and accounting fees) in connection with the preparation of this Agreement and the transactions contemplated hereunder.
33. **Counterparts.** This Agreement may be executed (by electronic mail or otherwise) in counterparts, each of which shall be deemed an original, and which together shall constitute one and the same instrument.
34. **Conflicts.** In the event of any conflict between this Agreement and the Related Agreement, the language, terms, and conditions of the Related Agreement will govern. In the event of a conflict between this Agreement or the Related Agreement and the Grant, the language, terms, and conditions of the Grant will govern.


35. Federal Aviation Act. Nothing contained in this Agreement or the Related Agreement shall be construed to grant or authorize the granting of any exclusive right prohibited under the Federal Aviation Act of 1958, as amended.

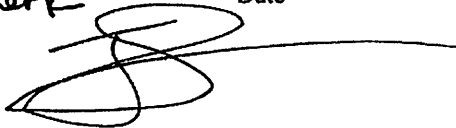
[This portion left intentionally blank - signatures provided on the following page]

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives as of the Effective Date.

On Behalf of the City of Page:

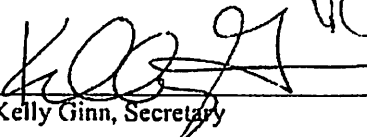
By:  10-28-20  
Date

Attest:  10-28-2020  
Date  
Kim Larson, City Clerk

APPROVED AS TO FORM: 

On Behalf of Corporate Flight Management, Inc. d/b/a Contour Airlines:

By:  10/1/20  
Date  
Matthew Chaifetz, CEO

Attest:  10/1/20  
Date  
Kelly Ginn, Secretary

**Attachment A to the Agreement for Air Services  
By and Between  
The City of Page  
and  
Corporate Flight Management, Inc. d/b/a Contour Airlines**

- Route:** Page Municipal Airport - Royce K. Knight Field (PGA) – Phoenix Sky Harbor International Airport (PHX)\* – Page Municipal Airport - Royce K. Knight Field (PGA)
- Flight Segment:** Means either a one-way flight between PGA and PHX; or a one-way flight between PHX and PGA;
- Flight Segment Fee:** (A) For the period beginning October 1, 2020 and ending September 30, 2021 (“Service Period 1”), Three Thousand Eight Hundred Thirty Five and 00/100 Dollars (\$3,835.00 USD)
- (B) For the period beginning October 1, 2021 and ending September 30, 2022 (“Service Period 2”), Three Thousand Five Hundred Fifty Nine and 00/100 Dollars (\$3,559.00 USD)
- Maximum Subsidy:** (A) For Service Period 1, Three Million Nine Hundred Forty Nine Thousand Nine Hundred Twenty and 00/100 Dollars (\$3,949,920.00 USD)
- (B) For Service Period 2, Four Million Three Hundred Ninety Eight Thousand Nine Hundred Twenty-Four and 00/100 Dollars (\$4,398,924.00 USD)
- (C) For the Term, Eight Million Three Hundred Forty Eight Thousand Eight Hundred Forty Four and 00/100 Dollars (\$8,348,844.00 USD)
- Non-Completed Flight Segments:** (A) For any single month in Service Period 1, the reimbursement of fixed, auditable expenses relating to Non-Completed Flight Segments will not exceed Four Hundred Ninety Thousand Eight Hundred Eighty and 00/100 Dollars (\$490,880.00 USD)
- (B) For any single month in Service Period 2, the reimbursement of fixed, auditable expenses relating to Non-Completed Flight Segments will not exceed Four Hundred Fifty Five Thousand Four Hundred Fifty Two and 00/100 Dollars (\$455,452.00 USD)
- Gauge of Service:** Twin jet regional airliner configured with 30 passenger seats. In the event of a temporary mechanical or crewing issue, Contour may substitute a different gauge of aircraft. As soon as practical, Contour will inform the

City of such issue, including an explanation of such issue and the time frame of which the issue will be remedied.

**Timetable:** For Service Period 1, 1,040 planned flight segments (520 round trips on the Route) and for Service Period 2, 1,248 planned flight segments (624 round trips on the Route). The parties understand and agree that the City's air travel market has significant seasonal variances. From time to time during the Term, Contour will adjust the timetable for the Route which may include, but will not be limited to changes in the: flight frequencies for each day of the week including weekends, departure and arrival times, and the hub airport to or from which service will be provided (either PHX or LAS). Contour will provide a copy of each timetable to the City concurrent with its filing of such timetable with the DOT.

**TSA Screening:** All flights on the Route will operate to and from the passenger terminal at PGA into one of the passenger terminals at PHX airport and will be conducted on a "TSA Sterile" basis.

**\*Additional Notes:**

- A. If both the outbound and corresponding return flight between PGA and PHX on any calendar day have no booked passengers within 24 hours of the planned departure time of the outbound flight, then subject to compliance with all applicable DOT rules and regulations, Contour may, but is not required to, cancel both the outbound and corresponding return Flight Segments. However, if Contour cancels such Flight Segments, Contour shall inform City of such cancellation and also report such cancelled Flight Segments in its Monthly Activity Report. In accordance with Section 4 of the Agreement and consistent with DOT policy, such cancelled Flight Segments are not eligible for Compensation for Services, but will not be counted as a cancellation under Section 12.C.iv of the Agreement.
- B. Contour may substitute service to PHX with service to McCarran International Airport in Las Vegas, Nevada (LAS). No change will be made in the Flight Segment Fee or maximum subsidy in the event that LAS is substituted for PHX. In such event, the definition of "Route" herein shall be expanded to include PGA-LAS-PGA and the definition of "Flight Segment" herein shall be expanded to include either a one-way flight between PGA and LAS or a one-way flight between LAS and PGA.

**Attachment B to the Agreement for Air Services  
By and Between  
The City of Page  
and  
Corporate Flight Management, Inc. d/b/a Contour Airlines**

**CERTIFICATION REGARDING INFLUENCING ACTIVITIES  
Certification for Contracts, Grants, Loans, and Cooperative Agreements**

The undersigned certifies, to the best of his or her knowledge and belief, that:

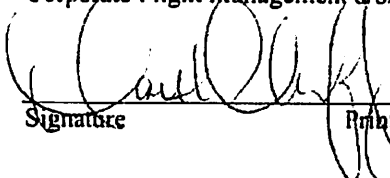
(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Influencing Activities," in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Corporate Flight Management d/b/a Contour Airlines

	MATTHEW CHARFETZ	CEO	10/1/20
Signature	Printed Name	Title	Date

**Attachment C to the Agreement for Air Services  
By and Between  
The City of Page  
and  
Corporate Flight Management, Inc. d/b/a Contour Airlines**

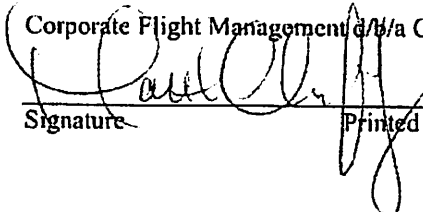
**Certification Regarding Debarment, Suspension, and Other Responsibility Matters**

(1) Contour certifies to the best of its knowledge and belief, that it and its principals:

- (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal department or agency;
- (b) Have not within a three-year period preceding this Grant Agreement been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (1)(b) of this certification;
- (d) Have not within a three-year period preceding this Grant Agreement had one or more public transactions (Federal, State or local) terminated for cause or default.
- (e) Does not have any Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, where the DOT is aware of the unpaid tax liability, unless DOT has considered suspension or debarment of the corporation and made a determination that suspension or debarment is not necessary to protect the interests of the Government
- (f) Has not been convicted of a felony criminal violation under any Federal law within the preceding 24 months, where the DOT is aware of the conviction, unless DOT has considered suspension or debarment of the corporation and made a determination that this action is not necessary to protect the interests of the Government.

(2) Where Contour is unable to certify to any of the statements in this certification, Contour shall attach an explanation to this document.

Corporate Flight Management d/b/a Contour Airlines

	MATTHEW CHAFEZ	CEO	10/1/20
Signature	Printed Name	Title	Date

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**UNITED STATES OF AMERICA  
DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
WASHINGTON, D.C.**

Issued by the Department of Transportation  
on the 22<sup>nd</sup> day of February, 2022

Essential Air Service at

**PAGE, ARIZONA**  
(FAIN 69A3452260463)<sup>1</sup>

under 49 U.S.C. § 41731 *et seq.*

**DOCKET DOT-OST-1997-2694**

**ORDER SETTING ANNUAL SERVICE LEVELS AND TOTAL COSTS UNDER THE  
ALTERNATE ESSENTIAL AIR SERVICE PROGRAM**

**Summary**

By this Order, the U.S. Department of Transportation (the Department) approves the application submitted by the City of Page, Arizona, under the Alternate Essential Air Service (AEAS) program. The Department will enter into a grant agreement with the community to provide funding for public charter service to Phoenix Sky Harbor International Airport (PHX), as described below.

<b>Term</b>	<b>Annual Segments and Route</b>	<b>Aircraft</b>	<b>Annual amount requested in AEAS Application</b>
October 1, 2022, through September 30, 2026	1,248 scheduled flight segments (estimated 99 percent completion) to PHX	30-seat Embraer ERJ-135	\$4,398,924

<sup>1</sup> FAIN = Federal Award Identification Number.

## **Background**

By Order 2020-9-18 (September 21, 2020), the Department approved the application submitted by Page under the AEAS program. The Department subsequently entered into a grant agreement with the community to provide funding for public charter service to PHX, in the amount up to \$8,348,844 for the 24-month term from October 1, 2020 through September 30, 2022, with up to \$3,949,920 payable in year one and up to \$4,398,924 payable in year two.<sup>2</sup>

As the end of the contract term approached, Page submitted an application to continue with status quo service under the AEAS program, with no change in the grant amount in the current year. The application can be accessed, along with the complete public file for EAS at Page, online through the Federal Docket Management System at: <http://www.regulations.gov>, by entering the community's docket number, captioned on the first page of this Order, in the "Search" field.

## **The Alternate Essential Air Service Program**

On December 12, 2003, President George H.W. Bush signed into law the Vision 100—Century of Aviation Reauthorization Act, Pub. L. No. 108-176 (Vision 100), which, among other things, directed the Department to establish certain *Community and Regional Choice Programs*.

Congress established AEAS<sup>3</sup> as a pilot program to provide communities with an alternative to the traditional EAS-type service. Typically, the EAS program pays subsidy to regional air carriers to provide a minimum level of air service to a major hub airport. The AEAS program provides that the Department, instead of paying compensation to an air carrier to provide EAS, may provide financial assistance directly to the eligible community.<sup>4</sup> Eligible communities may use the assistance for the purposes set out in statute,<sup>5</sup> such as more frequent service with smaller aircraft, on-demand air taxi service, scheduled or on-demand surface transportation, purchasing an aircraft, or regionalized air service. Each community accepted into the AEAS program must execute a grant agreement with the Department before it begins spending funds under the program. By notice dated July 27, 2004, the Department invited communities to submit proposals under the program (AEAS Notice).<sup>6</sup>

## **Application for Continuance in the AEAS Program**

On December 23, 2021, Page submitted an application, which is incorporated here by reference,<sup>7</sup> requesting the Department to allow the community to remain in the AEAS program for a new

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<sup>2</sup> Prior to the execution of the prior grant agreement, the COVID-19 pandemic temporarily reduced air service demand throughout the United States, including at Page. In light of this temporary reduction, the City believed it would be unnecessary to maintain the originally requested grant amount for the period of time between October 1, 2020, through September 30, 2021, after its current grant expired.

<sup>3</sup> See <https://www.regulations.gov/document?D=DOT-OST-2004-18715-0001>.

<sup>4</sup> It is the Department's policy that under no circumstances may a community participate in both the traditional EAS Program and the AEAS Program at the same time. Communities choosing to withdraw from the AEAS Program may request to be reinstated in the traditional EAS program, which could potentially result in a hiatus in air service.

<sup>5</sup> See Appendix A for a copy of the statute.

<sup>6</sup> See Establishment of Alternate Essential Air Service Pilot Program Pursuant to Vision 100, July 27, 2004, Docket No. OST-2004-18715 (AEAS Notice).

<sup>7</sup> See <https://www.regulations.gov/document/DOT-OST-1997-2694-0258>.

four-year term, seeking a continuation at the current level of annual funding of \$4,398,924 for air service provided by Corporate Flight Management, Inc. d/b/a Contour Airlines (Contour).

Page's application stated:

In choosing to continue its participation in AEAS with Contour, the City has taken into account Contour's exceptional performance in our market, its established interline with [American Airlines] AA, and its continued outstanding results for other communities receiving AEAS, such as Macon, Georgia, and Crescent City, California. The depth of Contour's organizational resources coupled with their stellar performance give the City confidence that Contour can achieve the City's passenger traffic objectives during the AEAS extension period.

The application further stated: "In the City's view, the record passenger traffic growth and Contour's stellar operational performance at PGA during the last three years on their own would be enough to merit an extension of its AEAS service."

In support of its continued participation in the AEAS program, the community stated:

Page's plan for the four additional years of AEAS requested in this application is to continue to provide the same consistent and reliable service throughout the extended term, and to leverage Contour's established interline with AA to incentivize even more use of the service by the flying public. The City's major objective is to raise the annual total passenger count at PGA to at least 22,000 per year.

### **Decision**

After careful consideration of this matter, the Department has decided, pending the execution of the grant agreement, to approve the application submitted by Page for continued participation in the AEAS program.

Contour has a record of providing reliable AEAS at Page and reliably serves other communities with AEAS. The Department believes that PHX, a large-hub airport, will enable passengers to sufficiently connect to the national air transportation system. Therefore, the Department finds that the community's proposal, seeking an annual subsidy of \$4,398,924, for a four-year term, is an acceptable reflection of the subsidy needed to provide EAS at these communities under 49 U.S.C. §§ 41733(c) and 41737. The maximum grant to Page will be \$17,595,696 (\$4,398,924 multiplied by four years) to cover the 48-month grant period. The Department will not prescribe a service frequency or schedule but rather leaves it to the community and their contracted air carrier to develop a mutually acceptable service schedule.

Therefore, pending the execution of a grant agreement, the Department approves Page's application for AEAS as proposed. The Department finds that the service proposed in the application is eligible for funding under AEAS.<sup>8</sup> In addition, the community's application satisfies the bulleted criteria set forth in the AEAS Notice; more specifically, Page provided a

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<sup>8</sup> 49 U.S.C. § 41745(a)(3)(f) ("other transportation or related services as the Secretary may permit").

description of its existing air service, a synopsis of its air service history, a strategic plan for meeting its needs through the AEAS program, an analysis of the funding necessary for the AEAS project, an explanation of how the airport will ensure that grant funds are spent in the manner proposed, descriptions of how the airport will monitor the success of the grant, an explanation of how the community will continue to meet the EAS program's statutory eligibility criteria, and a description of the amount and duration of the grant sought.<sup>9</sup>

### **Reminder about EAS Eligibility**

Although Page is being awarded a grant under the Alternate EAS program, the community must adhere to all the applicable requirements of the EAS program.<sup>10</sup>

To remain eligible for EAS and AEAS, communities must comply with all applicable EAS eligibility requirements. 49 U.S.C. § 41731(a)(1)(B) provides that a community must maintain an average of 10 enplanements per service day, as determined by the Secretary of Transportation, during the most recent fiscal year, to remain eligible for EAS. Locations in Alaska and Hawaii, and communities that are more than 175 driving miles from the nearest large or medium hub airport, are exempt from this requirement. Page, more than 175 miles from the nearest large or medium hub airport, is not subject to this requirement.

Further, the Department of Transportation and Related Agencies Appropriations Act, 2000, Pub. L. No. 106-69 (October 9, 1999), prohibits the Department from subsidizing EAS to communities located within the 48 contiguous States that require a subsidy per passenger amount exceeding \$200 ("Subsidy Cap"), unless the community is located more than 210 miles from the nearest large or medium hub airport. Page, more than 210 miles from the nearest large or medium hub airport, is not subject to this requirement.

EAS communities within the 48 contiguous States, including Page, are also subject to a \$1,000 subsidy per passenger cap, regardless of the distance to a hub airport.<sup>11</sup>

The Department expects Page and Contour or other air carriers that Page contracts with, to work together to ensure that the community complies with the applicable requirements described above. Communities that fail to comply with the applicable above requirements may risk having their eligibility in the EAS program terminated. In the event the Department terminates a community's eligibility for EAS due to lack of compliance, that action will supersede this Order.

This Order is issued under authority delegated in 49 CFR 1.25a(b)(6)(ii)(D).

### **ACCORDINGLY,**

1. The Department approves the application as submitted by the City of Page, Arizona, pending execution of a grant agreement with the Department with a term beginning October 1, 2022, through September 30, 2026, subject to compliance with eligibility criteria;

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<sup>9</sup> See AEAS Notice, p. 3.

<sup>10</sup> Id.

<sup>11</sup> See 49 U.S.C. § 41731(a)(1)(C).

2. The Department will enter into a grant agreement with the City of Page, Arizona, worth up to \$17,595,696 for 48-month period from October 1, 2022, through September 30, 2026, to be used for public charter air service contracted by it for service from the Page Municipal Airport (PGA) and to Phoenix Sky Harbor International Airport (PHX) or an alternate large- or medium-hub airport designated by the community, using 30-seat Embraer ERJ-135 (EMB-135) aircraft;
3. The Department directs Page to retain all books, records, and other source and summary documentation to support claims for payment, and to preserve and maintain such documentation in a manner that readily permits its audit and examination by representatives of the Department. This documentation shall be retained for three years from the last day of service under this Order, or such longer period as the Department may notify the air carrier. If any litigation, claim, or audit is started before the expiration of the three-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken. The air carrier may forfeit its compensation for any claim that is not supported under the terms of this Order;
4. This docket will remain open pending further Departmental action; and
5. The Department will serve this Order on the civic officials of Page, Arizona, the Airport Director of the Page Municipal Airport, and Corporate Flight Management, Inc. d/b/a Contour Airlines.

By:

Joel Szabat  
Deputy Assistant Secretary  
for Aviation and International Affairs

(SEAL)

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