



# City of Grand Island

Tuesday, June 28, 2005

Council Session

## Item I1

**#2005-193 - Consideration of Economic Development Incentive Agreement with Westward Airways, Inc.**

Staff Contact: Doug Walker

# Council Agenda Memo

**From:** Douglas R. Walker, City Attorney

**Meeting:** June 28, 2005

**Subject:** Approving Economic Development Incentive Agreement with Westward Airways, Inc.

**Item #'s:** I-1

**Presenter(s):** Douglas R. Walker, City Attorney

## Background

At the May 2003 special election, the voters of the City of Grand Island approved LB840 funding to enable the city to extend economic development incentives through the Grand Island Economic Development Corporation. The Economic Development Corporation has received an application from Westward Airways, Inc. for economic development incentives to enable it to provide air service to Kansas City and Lincoln, Nebraska, from the Hall County Regional Airport.

## Discussion

Westward Airways has submitted an application (attached) for economic development incentives, which would be in the amount of \$120,000.00. These incentives would be paid at a rate of \$10,000 per month and would be billed after the air service was delivered each month for a twelve month period. Westward Airways is agreeing to provide eastbound air service from the Hall County Regional Airport to Kansas City, Missouri and to Lincoln, Nebraska. As part of the process of approving an application, the application needs to first be approved by the Executive Board of the Economic Development Corporation and by the Citizens Review Committee. Both the Economic Development Corporation Executive Board and the Citizens Review Committee have approved this application and is now being forwarded to the City Council for final consideration.

At the Citizens Review Committee meeting held on June 21, 2005, the City Attorney advised the Citizen's Review Committee that he was not recommending extending LB840 funds to Westward Air. The City Attorney's concern was that this corporation did not clearly fit under the qualifying business categories as set forth in Article IV of the

Economic Development Plan. Concerns were also raised about whether the extension of incentives would be to a business that would meet the objectives in Article II of the plan to create jobs at or above the average wage and benefits in the community and to encourage investments in fixed assets that would increase the valuation in the community. Legal counsel for the Airport Authority and the EDC have given opinions indicating that they believe that Westward Air would be a qualifying business under category number 4 in Section IV as a business that sells services in interstate commerce.

## **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve the Economic Development Agreement with Westward Airways, Inc.
2. Do not approve the Economic Development Agreement with Westward Airways, Inc.
3. Postpone the issue to future date.
4. Take no action on the issue.

## **Recommendation**

City Administration has several concerns about the application in question. Summarily, the following issues are not resolved to an appropriate level:

- DOT funding has not been secured for this project.
- The project does not effectively meet the objectives of creating jobs or providing investments as required in Article II of the Communities LB840 Plan.
- The long term viability of the project is questionable.
- There seem to be a shortage of private investment/support from the business that will benefit most directly.

It appears that this project would be beneficial to boardings for the airport, which is a great benefit to the Hall County Airport Authority. A resolution and contract to approve the project is attached. It is recommended that the aforementioned concerns be addressed before the project is approved.

business finance and accounting as a banker or accountant, at least one member of the Committee shall be a business owner. No member shall be an elected or appointed City Official, an employee of the City, an official or employee of any qualifying business receiving financial assistance under the Program or an official or employee of any financial institution participating directly in the Program. The City Administrator or designee will serve as Liaison to the Economic Development Corporation.

The City has prepared the Program for submission, first to the City Council and, upon Council approval, to the voters of Grand Island. The Legislature of the State of Nebraska has made available through the Act an invaluable tool to recruit new businesses and to retain and expand businesses presently located in a community. The City intends to use this tool to spur further economic development within the City. The City seeks, through the Economic Development Program, to be more competitive or at least as competitive in the economic development area as any other community in this or any other State of comparative size. With voter approval, the provisions of the Program become the basis for funding the economic development program and thereby expanding job opportunities and the tax base in our community.

Through voter approval of the Economic Development Program, the City would be in a position to operate a low-interest, performance based revolving loan fund, provide job creation incentives, equity participation, interest buy downs, acquire commercial and industrial sites, promote their development, and bond the costs of economic development pending sufficient general fund revenues. The City proposes that funding from the City's general fund be dedicated for the economic development program.

## **SECTION II. STATEMENT OF PURPOSE DESCRIBING GENERAL INTENT AND PROPOSED GOALS**

The general intent and goal of the Grand Island Economic Development Program is to provide well paying jobs to the citizens of Grand Island, Nebraska, by encouraging and assisting local businesses to expand as regards job creation and capital investment and to recruit new qualified businesses which results in creation of jobs and expansion of the tax base. The success of the Program will be measured by the number of jobs created and retained for the length of the Program, the total dollars invested in fixed assets, i.e., buildings, new commercial real estate and business equipment and finally, the growth in total valuation in the City. Each project will be considered on its merits, but priority will be given to jobs created and/or retained at or above average wage and benefits for the community.

## **SECTION III. TYPES OF ECONOMIC ACTIVITIES THAT WILL BE ELIGIBLE FOR ASSISTANCE**

### **A. Definition of Program**

Economic Development shall mean any project or program utilizing funds derived from the City's General Fund, which funds will be expended primarily for the purpose of providing direct

**SECTION IV. DESCRIPTION OF TYPES OF BUSINESSES THAT WILL BE ELIGIBLE**

- A. A qualifying business shall mean any corporation, partnership, limited liability company or sole proprietorship that derives its principal source of income from any of the following:
1. The manufacturer of articles of commerce;
  2. The conduct of research and development;
  3. The processing, storage, transport, or sale of goods or commodities which are sold or traded in interstate commerce as distinguished from goods offered for sale at retail locally;
  4. The sale of services in interstate commerce as distinguished from services offered on a local or area basis;
  5. Headquarters facilities relating to eligible activities as listed in this section;
  6. Telecommunications activities; or
  7. End Destination Tourism-Related Activities.
- B. A qualifying business must be located within the zoning jurisdiction of the city unless a variance is granted for special circumstances.
- C. Any other business deemed a qualifying business through future action of the Legislature.

**SECTION V. REVOLVING LOAN FUND**

- A. The amount of funds available for any single project shall not exceed the amount of funds available under the Economic Development Program during the project term, nor shall it provide for more than fifty percent (50%) of total project costs. An applicant must provide participation and evidence of participation through private funding as distinguished from federal, state, or local funding in the minimum amount of fifteen percent (15%) equity investment. The right is reserved to negotiate the terms and conditions of the loan with each applicant, which terms and conditions may differ substantially from applicant to applicant.
- B. The interest rate shall be negotiated on an individual basis. The term shall not exceed fifteen (15) years for loans used for real estate and building assets and not to exceed seven (7) years for loans involving any other asset category such as furniture, fixtures, equipment or working capital. Security for loans will include, but will not be limited to, Promissory Notes, a Deed of Trust, UCC filings and personal and/or corporate guarantees as appropriate and may be in a subordinate position to the primary commercial or government lender.
- C. If the loan is approved as performance based, a qualifying business may be approved to recapture on a grant basis a portion of the loan amount to be determined by the Economic



GRAND ISLAND AREA  
ECONOMIC  
DEVELOPMENT CORPORATION

308-381-7500 • 800-658-4283 • Fax 308-398-7205 • [www.grandisland.org](http://www.grandisland.org)

P.O. Box 1151

GRAND ISLAND, NE 68802-1151

June 13, 2005

TO: Citizens Review Committee

FROM: Marlan Ferguson, President *mf*

Reliable, convenient, and affordable air service is vital to rural economic development and to the citizens of Central Nebraska. The vitality and continuing growth of our local economies is sustainable in large part to the air service and the connections to the national air transportation system that exists today.

The economic and social links between the Grand Island Area and Kansas City are already strong, but we believe that direct air service to/from Kansas City will help immensely to strengthen and grow this social and economic bond to the benefit of our residents. It is also important to our businesses and industries that their potential to get vendors and customers to their facilities in a timely and convenient matter, specifically by air service to Grand Island.

Improved air transportation and service has long been a goal for the community and the Grand Island Area Economic Development Corporation. The 1997 Heartland Vision Report encouraged regional cooperation for improved airline travel. In 2000, improved air service was one of the top five priorities listed by the EDC Board at their planning retreat. It was a goal to have three (3) flights per day east and three (3) flights per day west. Again in 2003 Air Service to the East was listed as a high priority. Over the last few years several Air Service Task Force groups have been formed to study and review Air Service and East bound service in particular. The most recent was in 2002 and 2003 when a task force was initiated to assist in air service improvement and review the DOT essential air service proposals. This resulted in the Tri-City initiative that asked for a Kansas City, Grand Island, Kearney, Denver route and back. This was not funded by the DOT; however a nonstop flight from Grand Island to Denver was approved. Citizens and businesses continued to ask the EDC for assistance in obtaining east bound service and various alternatives and proposals were discussed and reviewed.

The current proposal is to utilize a Nebraska Company, Westward Airways to provide service to Kansas City and include Lincoln as part of their current route from Scottsbluff. The Grand Island Area Economic Development Corporation Executive Committee has approved utilizing LB-840 funds of \$120,000 to match a federal grant of \$380,000 for start up costs and promotional activities. The grant would not only promote Westward Airways but also be used to promote the current EAS flights from Grand Island to Denver. The matching funds will be paid in equal monthly payments in arrears. It is also important to remember that the additional boardings will assist the Airport Authority in reaching the 10,000 enplanements which are needed to secure 1 million dollars of federal funds for airport improvements. The EDC conducted an internal survey concerning this project and had overwhelming positive results, thus the decision to approve the application and forward it to the Citizen's Review Committee.



5. Product or Service Provided: Two round trip flights per day (Mon-Fri) to Kansas City.  
Two round trip flights per day (Mon-Fri) to Lincoln.  
A total of four round trip flights per day from Grand  
Island to points east.

6. Project Description: Partnership between Westward Airways, Inc. and the  
Community/EDC to provide matching funds of \$120,000 along  
with the Hall County Airport Authority's grant for \$380,000  
allowing the utilization of the Small Communities Air Service  
Grant which will provide quality, affordable, air service and  
Connections to the business community.

7. Project Timetable: Flights to begin within 60 days

8. Employment Information:

Current # of employees: 47 (full-time equivalent)

Proposed # of employees: 53 (full-time equivalent)

What is the average hourly wage for all employees? \$12.25 plus benefits

Number of new jobs to be created: 6 (full-time equivalent)

What would be the average hourly wage for new jobs? \$12.25 plus benefits

Number of jobs to be retained, if any: n/a (full-time equivalent)

Please describe all benefits which the business provides to employees:

Full health benefit package

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9. Financing/Incentives Requested:

\$120,000 matching funds from community (required)

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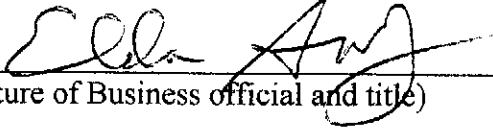
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NOTE: Additional Information may be required and made part of this application by attachment.

To the best of my knowledge, this application and supporting information is accurate, and may be relied upon by representatives of the Grand Island Area Economic Development Corporation (GIAEDC).

By: Eldon Anthony, President



(Signature of Business official and title)

April 26, 2005

Project: Westward Airways

Date Referred to Grand Island Area Economic Development Board: 4-26-05

Approved: X Disapproved: \_\_\_\_\_ Date: 6-8-05

Comments: See Cover Letter dated 6-13-05

Signature of President: Marlan Ferguson  
Marlan Ferguson

Date Referred to Citizen's Review Committee: \_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Chairman: \_\_\_\_\_  
Tim White

Date Referred to City Council: \_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Mayor: \_\_\_\_\_  
Jay Vavricek

Application of

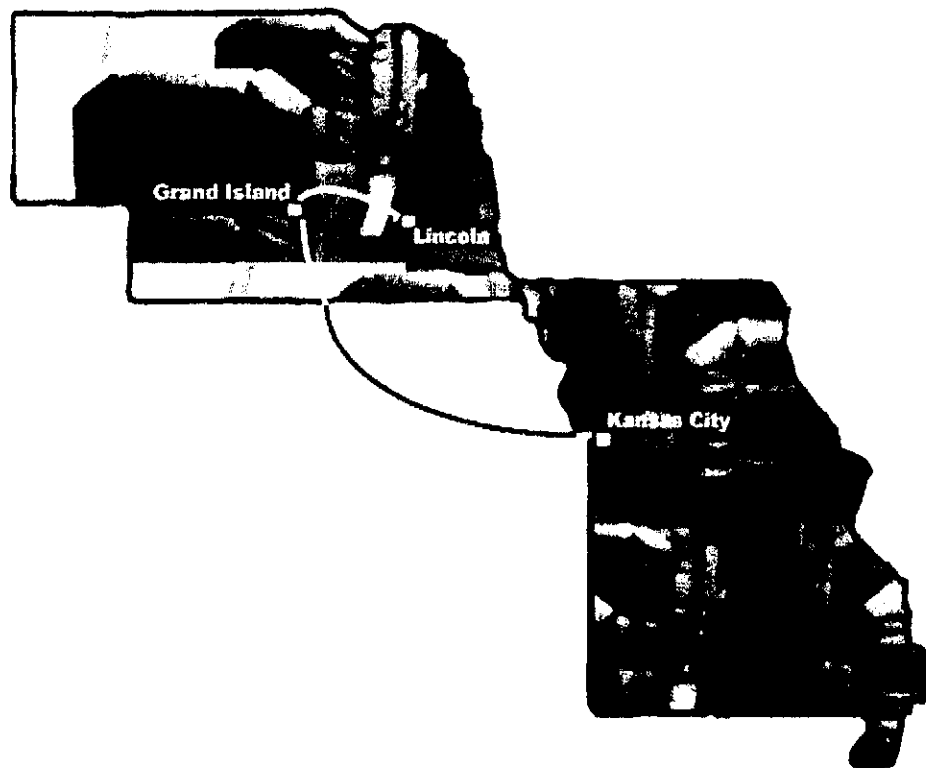
*Westward WA Airways*

To

The City of Grand Island /  
Grand Island Economic Development Corporation

Requesting

LB840 Funding



Application Submitted to:

Grand Island Area Economic Development Corporation  
308 North Locust Street  
Grand Island, Nebraska 68801-5924

Application Submitted by:

Eldon D. Anthony  
Westward Airways, Inc.  
250027 Airport Terminal Street  
Scottsbluff, Nebraska 69361  
Telephone: 308.220.3838  
Fax: 308.220.0576



www.westwardairways.com

June 10, 2005

Ms. Denise McGovern  
Executive Assistant  
Grand Island Economic Development  
P. O. Box 1151  
Grand Island, Nebraska 68802-1151

Dear Ms. McGovern,

This letter is to serve as an agreement between Grand Island Economic Development and Westward Airways, Inc. acknowledging the fact that Grand Island Economic Development shall be included as part of the marketing committee for eastern air service.

Also acknowledged is the fact that grant payments due to Westward Airways, Inc. shall be in arrears. These payments are due by the 10<sup>th</sup> of the month following delivery of service. These payments shall be made without regards to receipt of invoice or statement.

Sincerely,

A handwritten signature in cursive script that reads "Eldon Anthony".

Eldon Anthony  
President  
Westward Airways, Inc.

## **EXECUTIVE SUMMARY**

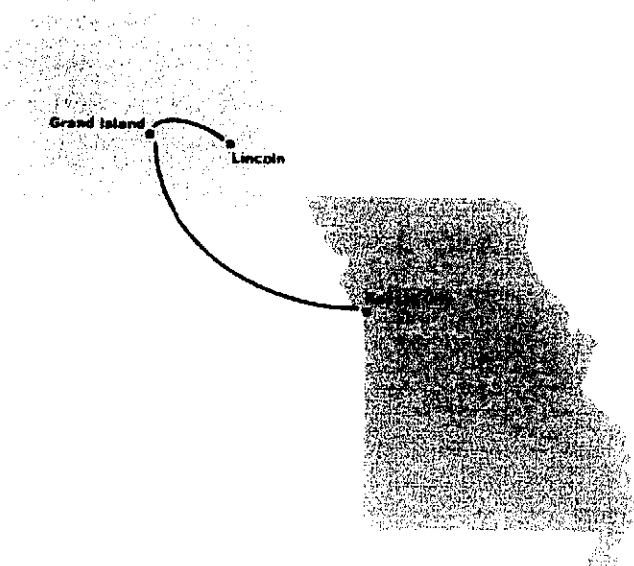
Westward Airways is very pleased to provide this Application in order to provide East Air Service from Grand Island to **both** Kansas City, Missouri and Lincoln, Nebraska.

Westward Airways, Inc., a scheduled regional airline, presently operates the Pilatus PC-12 in Nebraska. The PC-12 seats up to nine passengers in pressurized comfort at altitudes to 30,000 feet and airspeeds to 300 miles per hour. Westward is the second operator in the United States to place this unique aircraft in scheduled service; presently, one Alaskan operator and six Canadian air carriers utilize the PC-12 in scheduled service.

Westward Airways has agreed to provide non-stop **East** Air Shuttle Service from Grand Island to Kansas City, providing Grand Island and surrounding communities with the greatest economic return. Summarized, the options are as follows: 60 days after contract execution the first aircraft will link the community of Grand Island with Kansas City and Lincoln, where passengers may connect to a whole host of major airline carriers. Grand Island will receive two round-trip operations each weekday to Kansas City. As a result of morning and evening aircraft repositioning for the River Run, Grand Island will also receive as added value two round trips per weekday to Lincoln.

In order to execute this routing, and as presented in detail herein, the Company will request that USDOT Small Community Air Service Development Pilot Program (SCASDPP) matching funds of \$120,000 be provided to Westward Airways as prescribed in the Hall County Airport Authority proposal for Small Community Air Service match usage. The aircraft possession cost is requested monthly for a period of twelve months. Overall, the community funding required by Westward Airways is equal to \$120,000 over the one-year period.

Eldon Anthony is the President of Westward Airways; he presently leads 11 dedicated aviation professionals with a combined 153 years of experience. Under this proposal, Westward will increase its staffing by the following levels in Nebraska: four Flight Crewmembers and two Local Customer Service Specialists.



Westward Airways believes the service contemplated in this Application will exceed the community's goal of providing "consistent, reliable, and reasonably priced eastern air service." It is the goal of Westward Airways to: 1) Enable Grand Island to reach the enplanement level to continue to qualify for \$1,000,000 annually in entitlement funding, and 2) Create an operation which is self-sustaining at the end of the Contract period.



## Westward Airways Financial Information

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April 1, 2005

During the month of March, we devoted our time to analyzing the financial statements and cash flows of the company. We brought current all past due bills and feel that the month of April will provide us with enhanced knowledge of our monthly expenses to operate this airline. We are extremely positive as we head into the month of April.

As you can see from our balance sheet we have made great strides during the month of March. We received equity injections of \$270,114 from our shareholders. We have properly billed for our New Mexico grant revenue and have collected outstanding balances from our customers. We currently have accounts receivable of \$262,662. All accounts receivable are outstanding from government agencies who have pledged to support Westward Airways, Inc. (Detailed listing attached)

Our income statement is a reflection of the past due status of Westward Airways, Inc. to many of our creditors before the month of March. March is not a good reflection of the monthly company results. Included in this income statement are expenses for previous month. The following list includes major expenses we paid for previous months in the month of March.

| Account |                             |                   |
|---------|-----------------------------|-------------------|
| 5002    | Aircraft Lease Payments     | \$ 45,700         |
| 5003    | Fuel                        | 30,000            |
| 5019    | Dues and Subscriptions      | 5,269             |
| 5000    | Flying Operations – Other   | 16,065            |
| 5102    | Engine Accrual – Aircraft 1 | 10,450            |
| 5103    | Parts – Aircraft 1          | 8,550             |
| 5117    | Parts – Aircraft 2          | 22,733            |
| 5118    | Engine Accrual – Aircraft 2 | 11,770            |
| 5201-01 | Landing Fees                | <u>8,541</u>      |
|         |                             | <u>\$ 159,078</u> |

If we add back these expenses to our current net loss of \$(188,636) on our 3/31/05 financial statement, subtract out revenue earned in previous months of \$10,932 would show a net loss of \$(40,490). In our opinion this level of loss on our operations is good news because it is not insurmountable. Our passenger loads are growing in Nebraska and New Mexico. We believe we can narrow this cash gap over the coming months.

For future reports we submit to you, we have devised a system to allocate income and expenses to our Nebraska and New Mexico operations independently. We are implementing this system as of April 1, 2005.

Below is a detailed Explanation of our Balance Sheet accounts. As stated earlier, we have made significant progress in bringing our balance sheet current.

### **Checking/Savings**

The Checking and Savings accounts currently show a deficit balance with prior approval from our bank. This deficit balance will be cleared by amounts receivable from February from our New Mexico operations.

### **Accounts Receivable**

See attached aged listing of outstanding receivables.

### **Prepaid Expenses**

Prepaid expenses include aircraft insurance.

**Refundable Deposits**

Refundable deposits include a \$6,000 deposit to the City of Alamogordo and \$16,000 of deposits paid at start-up of Westward Airways, Inc.

**AC Parts Inventory**

This is an estimate of inventory on hand provided by our Director of Maintenance.

**Loan to J. Lohman**

This is a loan to an employee. The balance is being paid down monthly through payroll deduction.

**PVNB – Certificates of Deposit**

This is collateral for our credit cards.

**Total Fixed Assets**

This is the total fixed assets purchased by Westward Airways, Inc. less accumulated depreciation.

**Other Assets**

This is startup expenses capitalized by Westward Airways, Inc.

**Accrued Payroll Taxes**

These are payroll taxes payable to Nebraska, New Mexico and the Internal Revenue Service.

**Note Payable – Western Way, LLC**

This is a note from a related entity for working capital granted in 2004. It is being paid down monthly.

**LT Debt**

This is a loan from the City of Gering reuse funds.

**Note Payable – VB Fuel Farm**

This is a loan from the bank for the purchase of a fuel farm.

**CDBG Loan**

This is a County Development Block Grant Loan.

**Note Payable – Govt Grant**

This is a County Development Block Grant

**Deferred Revenue – Govt Grant**

This is and LB840 Grant.

**March/April Equity Contribution**

This is the amount contributed for additional purchases of stock during the month of March and on April 1, 2005.



# FAA INFORMATION PAGE

AIR CARRIER Westward Airways, Inc. DATE August 26, 2004

ADDRESS 250027 Airport Terminal Street

CITY Scottsbluff STATE NE ZIP 69361

CONTACT PERSON Eldon D. Anthony

TELEPHONE 308-220-3838

FAA COMMUTER AIR CARRIER OPERATING CERTIFICATE NO. W9YA373J

## FAA DISTRICT OFFICE RESPONSIBLE FOR CARRIER OPERATIONS:

FAA REP Jacob E. Wilson

ADDRESS 3431 Aviation Road, Suite 120

CITY/ST/ZIP Lincoln, NE 68524

## FAA DISTRICT OFFICE RESPONSIBLE FOR CARRIER MAINTENANCE:

FAA REP John D. Graham

ADDRESS 3431 Aviation Road, Suite 120

CITY/ST/ZIP Lincoln, NE 68524

## INSURANCE COMPANY INSURING CARRIER:

CARRIER INSURANCE POLICY NO. NAC3025770

AGENT W. Brown & Associates Insurance Services

INSURANCE CO. XL Specialty Insurance Company

ADDRESS 19000 MacArthur Boulevard, Suite 700

CITY/ST/ZIP Irvine, CA 92612

## ***FINANCIAL BACKING AND EXPERIENCE***

On June 7, 2004, the United States Department of Transportation issued their Order finding Westward "fit, willing, and able" to provide scheduled interstate air transportation to the consumers of the United States. As part of that fitness determination, the Company was required to provide independent, third-party verification (i.e. – a bank letter) indicating deposits sufficient to meet the criteria of the DOT. The Company's working capital balance of \$1,114,418 exceeded the DOT's requirement of \$841,000.

With regard to experience, inasmuch as the Company is a new regional airline, it is a creative and unique regional airline designed to provide a long-term solution to those smaller – and rural communities which either have lost or are losing their scheduled air service as a result of industry and regulatory dynamics. Over 1,500 Nebraskans have been extremely pleased with Westward Airways' service.

## ***AIR CARRIER CERTIFICATION***

Westward Airways holds safety authority in the form of an Air Carrier Operating Certificate issued by the Federal Aviation Administration pursuant to 14CFR135, as well as Economic Authority in the form of a Certificate of Public and Necessity issued by the United States Department of Transportation.

## ***COMMENCEMENT OF OPERATIONS TIMEFRAME***

Westward Airways is prepared to commence operations within 60 days of execution of Contract.

## **SCHEDULES**

Westward Airways proposes to provide scheduled air service from the Central Nebraska Regional Airport in Grand Island, NE to Lincoln, NE and Kansas City, MO using two Pilatus PC-12 aircraft based at Scottsbluff, NE. As described elsewhere in this Application, the Pilatus PC-12 is a pressurized nine-passenger turboprop aircraft operated by Westward Airways with a two-person flight crew.

Specifically, Westward Airways proposes to commence service in the following markets operating under the following flight schedules no later than 60 days after execution of the Contract.

### ***Monday through Friday (excluding major holidays)***

#### **Grand Island / Lincoln**

| <i>Market</i>           | <i>Departs</i> | <i>Arrives</i> | <i>Stops</i> |
|-------------------------|----------------|----------------|--------------|
| Grand Island to Lincoln | 11:15 a.m.     | 11:45 a.m.     | n/s          |
|                         | 8:45 p.m.      | 9:15 p.m.      | n/s          |
| Lincoln to Grand Island | 8:10 a.m.      | 8:40 a.m.      | n/s          |
|                         | 5:40 p.m.      | 6:10 p.m.      | n/s          |

#### **Grand Island / Kansas City**

| <i>Market</i>               | <i>Departs</i> | <i>Arrives</i> | <i>Stops</i> |
|-----------------------------|----------------|----------------|--------------|
| Grand Island to Kansas City | 8:50 a.m.      | 9:50 a.m.      | n/s          |
|                             | 6:20 p.m.      | 7:20 p.m.      | n/s          |
| Kansas City to Grand Island | 10:05 a.m.     | 11:05 a.m.     | n/s          |
|                             | 7:25 p.m.      | 8:35 p.m.      | n/s          |

## AIRFARES

Based on an examination of historical passenger behavior, Westward Airways has established three fare classes:

- ◆ 21-day advance purchase, no Saturday night stay required,
- ◆ 3-day advance purchase, no Saturday night stay required, and
- ◆ Less than three day advance purchase, no Saturday night stay required.

All Westward Airways airfares are non-refundable; passengers who cancel their itineraries receive a credit for future travel on Westward Airways.

Also, Westward Airways presently offers municipalities and military agencies / departments the option to establish a net 30 invoice account with Westward Airways on which municipality employees and military personnel may ticket travel, thus eliminating the requirement to produce a credit card at the time travel is booked. Westward Airways provides account monthly invoices. Westward Airways will extend this net 30 offer to all municipalities and military agencies / departments in Nebraska.

All listed airfares are for one-way travel; roundtrip airfares are approximately double. Applicable taxes will be added at time of purchase.

|                            | Advance Purchase Requirement |        |         |
|----------------------------|------------------------------|--------|---------|
|                            | 21 Days                      | 3 Days | <3 Days |
| Grand Island / Kansas City | \$77*                        | \$98   | \$118   |
| Grand Island / Lincoln     | \$27                         | \$27   | \$27    |

\* As part of the marketing program Westward Airways will offer a \$77 one-way fare with a seven-day advance notice through the summer (Labor Day) to build an awareness of the services offered.

**W. BROWN & ASSOCIATES  
INSURANCE SERVICES**

19000 MacArthur Blvd., Suite 700  
Irvine, CA 92612  
(949) 851-2000

**CERTIFICATE OF INSURANCE**

THIS IS TO CERTIFY TO: **Hall County Airport Authority, 3743 Sky Park Road, Grand Island, NE 68601**  
THAT THE FOLLOWING POLICY OF INSURANCE HAS BEEN ISSUED TO

**Westward Airways, Inc.  
250027 Airport Terminal Street, Scottsbluff, NE, 68301**

POLICY NUMBER: **NAC9025770**  
POLICY PERIOD: **FROM: March 3, 2005 TO: March 3, 2006**  
INSURANCE COMPANY: **XL SPECIALTY INSURANCE COMPANY**

**DESCRIPTION OF COVERAGES AND LIMITS OF LIABILITY**

| FAA#   | Single Limit Injury and<br>Property Damage | Passenger Liability Limited to: |                 | Medical Expense<br>Each Person | Medical Expense<br>Each Occurrence |
|--------|--|---------------------------------|-----------------|--------------------------------|------------------------------------|
|        |  | Each Person                     | Each Occurrence |                                |                                    |
| N481VA | \$30,000,000.00                            | 1000X                           | 1000X           | \$10,000.00                    | \$110,000.00                       |
| N258AT | \$30,000,000.00                            | 1000X                           | 1000X           | \$10,000.00                    | \$110,000.00                       |
| N276CN | \$30,000,000.00                            | 1000X                           | 1000X           | \$10,000.00                    | \$110,000.00                       |

| Aircraft                 | Insured<br>Value | Deductible<br>Per Occurrence | Deductible<br>In Aggregate | Physical Damage<br>Excluded |
|--------------------------|------------------|------------------------------|----------------------------|-----------------------------|
| 2003 Airbus PC-12 N481VA | \$2,400,000.00   | \$10,000.00                  | \$10,000.00                | F As Rate Basis             |
| 1999 Airbus PC-12 N258AT | \$2,300,000.00   | \$10,000.00                  | \$10,000.00                | F As Rate Basis             |
| 1999 Airbus PC-12 N276CN | \$2,650,000.00   | \$10,000.00                  | \$10,000.00                | F As Rate Basis             |

All the aircraft listed above include Passenger Liability

This certificate is issued as Evidence of Coverage only.

Subject to 12% Endorsement.

Information contained herein valid April 22, 2005

This certificate of insurance is not an insurance policy and does not amend, extend or alter the coverage afforded by the policies listed herein. Notwithstanding any requirements, term, or condition of any contract or other document with respect to which this certificate of insurance may be issued or may pertain, the insurance afforded by the policies described herein is subject to all the terms, exclusions and conditions of such policies.

Should any of the above described policy(ies) be cancelled before the expiration date hereof, the issuing company will endeavor to give 30 days (10 days for non-payment) notice to the certificate holder named herein. However, failure to mail such notice shall not impose any obligation for any liability of any kind upon the company, its representatives, or agents.

By



W. Brown & Associates  
Insurance Services

Date of Issue: **Friday, April 22, 2005**

Certificate No.: **5**

## Flight Operations

### 1. IS CARRIER OPERATED UNDER FAR 121? 135?

**ANSWER:**

Westward Airways, Inc. is operated under Part 135.

**EXPLANATION:**

With regard to scheduled passenger operations, FAR Part 135 is applicable to those operators whose passenger seating capacity is nine or less, while FAR Part 121 applies to those operators who operate aircraft seating 10 or more passengers.

The Company is of the opinion that scheduled airline service to the smaller- and rural communities of our Country has been stymied by the effects of the Commuter Rule by the United States Department of Transportation in 1996. The Commuter Rule applied FAR Part 121 regulations to any aircraft seating 10 or more passengers. Prior to the Commuter Rule, FAR Part 121 applied to aircraft seating over 30 passengers.

### 2. PLEASE INDICATE YOUR BASE OF OPERATIONS IN NEBRASKA.

**ANSWER:**

Westward's present base of operations is at the Western Nebraska Regional Airport (BFF) Scottsbluff, Nebraska. If awarded the LB840 funding Westward will continue its headquarters in Scottsbluff but use Central Nebraska Regional Airport (GRI), Grand Island as a reliever airport.

**EXPLANATION:**

Westward Airways is aware of temporary hangar space in Grand Island which is suitable for initial operations. If awarded the funding, Westward will use Central Nebraska Regional Airport as a reliever during inclement weather.

### 3. DOES COMPANY HAVE AN OPERATIONS OFFICER?

**ANSWER:**

Westward Airways, Inc. does employ a Director of Operations.

**EXPLANATION:**

The Director of Operations position is required by FAR 135; Mr. Ryan Roberts serves as Westward's Director of Operations. Ryan previously served as Chief Pilot with Ram Air Freight with over 5,000 hours total flight time.

### 4. DOES COMPANY EMPLOY A CHIEF PILOT?

**ANSWER:**

Westward Airways, Inc. does employ a Chief Pilot.

The Chief Pilot position is also required by FAR 135; Mr. William Hill serves as Westward's Chief Pilot. William recently completed a career with SkyWest Airlines and has amassed over 10,000 hours total flight time.

**5. DOES COMPANY HAVE A DESIGNATED CHECK AIRMAN? IF SO, HOW MANY?**

**ANSWER:**

The FAA has not awarded Check Airman status on any pilot at Westward as of yet.

**EXPLANATION:**

The Lincoln Flight Standards District Office (FSDO) has informed Westward that Mr. Roberts and Mr. Hill will be designated as Check Airman after the next class of pilots receives their training under the Westward Airways Approved Training Manual.

Check Airman are placed in an unenviable position where they have dual responsibilities to both the FAA and the Company. Accordingly, the FAA only awards Check Airman status to those individuals whom they believe can effectively represent the interests of the FAA, with safety foremost in mind.

**6. NUMBER OF PILOTS EMPLOYED? CAPTAINS? CO-PILOTS?**

**ANSWER:**

Pilots presently employed: 15, including Director of Flight Operations and Chief Pilot. First Officers presently employed: eight.

**EXPLANATION:**

If awarded the LB840 funding, Westward will hire an additional two Captains and two First Officers.

**7. AVERAGE FLIGHT TIME PER MONTH FOR CAPTAINS? CO-PILOTS?**

**ANSWER:**

Captains and First Officers presently fly 76 hours per month. If awarded the LB840 funding, both Captains and First Officers will fly approximately 74 hours per month.

**EXPLANATION:**

Federal Aviation Regulations govern the amount each Flight Crewmember may fly in a given month, year, or seven-day period. Westward Flight Crewmembers are within such limitations.

**8. NUMBER OF FLIGHT ATTENDANTS EMPLOYED?**

**ANSWER:**

None.

**EXPLANATION:**

Federal Aviation Regulations require a Flight Attendant for aircraft which seat over 19 passengers; therefore, Westward Airways does not require a Flight Attendant on its nine-passenger Pilatus aircraft.

**9. DO PILOTS AND CUSTOMER SERVICE AGENTS HAVE UNIFORMS?**

**ANSWER:**

Flight Crewmembers at Westward Airways have uniforms issued to them, which consist of shirts, epaulets, pants, ties, and their personalized wings.

**EXPLANATION:**

Westward Airways strives to present the highest degree of professionalism as possible. Flight Crewmembers are permitted to accent their uniform with several approved articles, such as ropers-style cowboy boots and bolo ties. Several Flight Crewmembers wear such accents.

**10. ARE THERE ANY ACCIDENT OR INCIDENT REPORTS ON FILE AT FAA? IF YES, PLEASE EXPLAIN.**

**ANSWER:**

Westward Airways has not been involved in any accidents or incidents; therefore, no incident or accident reports are on file at the FAA or NTSB.

**EXPLANATION:**

Westward Airways operates with safety first and foremost in mind.

**11. DOES COMPANY HAVE A DISPATCH DEPARTMENT? IF SO, GIVE LOCATION.**

**ANSWER:**

Westward Airways does not have a dispatch department.

**EXPLANATION:**

A dispatch department and dispatchers are not required under FAR Part 135.

In a typical dispatch department with a Part 121 carrier, the Dispatcher and Dispatch Department are responsible for load planning and weather collection and dissemination to the Flight Crewmembers. With the typical Part 135 operation, the Captain of a given flight is responsible for collecting weather and determining the weight-and-balance of the aircraft.

Westward Airways subscribes to the Weather Service International (WSI) Pilot Brief system, which allows Westward Flight Crewmembers to brief themselves from a vast array of meteorological data and graphics at any of its service points. The WSI Pilot Brief system as well as Westward's policies and procedures for the procurement of weather data are all FAA approved.

The Company also maintains a Flight Following program using a combination of "on/in/out/off" times as reported by Flight Crewmembers via radio, and the Aircraft Situational Display (ASD) to which Westward subscribes. ASD uses a computer to graphically depict the position of Company airborne flights, along with the associated origin, destination, speed, and altitude. In short, Westward ground personnel know the position of Company aircraft at any given moment.

The Company will establish a duplicate Flight Following program in its expanded operations if awarded the LB840 funding.



**12. WHAT ARE COMPANY WEATHER REPORTING GUIDELINES?**

**ANSWER:**

Westward Airways follows the weather reporting guidelines as outlined in FAR 135, which generally states that any encounter with unforecasted severe turbulence or icing must be reported to a Flight Service Station as soon as practicable.

**13. DOES COMPANY HAVE AN OPERATIONS MANUAL?**

**ANSWER:**

Yes.

**EXPLANATION:**

The 300+ page Flight Operations Manual of Westward Airways provides the Flight Operations Department policy and procedure for conducting its operations in a safe, efficient, and compliant manner.

The Westward Airways Flight Operations Manual is approved by the Federal Aviation Administration.

**14. DOES COMPANY POLICY REQUIRE ALL SCHEDULED FLIGHTS TO BE OPERATED UNDER IFR FLIGHT PLANS OR ARE FLIGHTS OPERATED UNDER VISUAL FLIGHT RULES (VFR) WHEN WEATHER PERMITS?**

**ANSWER:**

Either.

**EXPLANATION:**

More often than not, Westward flights depart under an IFR clearance from air traffic control. However, if radio contact with air traffic control is not possible; flights may depart under VFR conditions subject to certain conditions and limitations. The flexibility to depart VFR is important in the more rural areas because of air traffic control radar coverage limitations.

**15. WILL AIRCRAFT OPERATED ON ROUTE SYSTEM DURING IFR OPERATIONS PROVIDE FULL SEATING CAPACITY?**

**ANSWER:**

Yes. Our PC-12 aircraft are not "weight restricted" on warm, summer days at higher altitudes.

**EXPLANATION:**

Grand Island is at an elevation of 1,847 feet. At 90° F and a full passenger load, the Pilatus PC-12 is able to depart from Grand Island with enough fuel to fly 1,200 miles nonstop, while maintaining an initial rate of climb of 1,500 feet per minute.

**16. ARE ALL SCHEDULED FLIGHTS OPERATED WITH TWIN-ENGINE AIRCRAFT?**

**ANSWER:**

No. Westward Airways will operate all flights with the Pilatus PC-12, which is a pressurized, single-engine aircraft powered by the Pratt & Whitney PT-6A-67B.

**EXPLANATION:**

Westward Airways believes—and is proving—that smaller and rural communities may still receive quality scheduled airline service using the appropriate aircraft, and operating under the appropriate regulatory environment.

Contrary to popular belief, the second engine on light- and medium-sized twin-engine aircraft does not at all ensure one will safely reach the ground in the event of engine failure in the air. In fact, years of accident data collected by the National Transportation Safety Board data establish that single-engine; turbine-powered aircraft are safer than their multi-engine counterparts.

In short, the second engine on twin-engine aircraft assists with lifting the load. In the event of engine failure on a light- or medium-sized twin-engine aircraft, the results are more often than not catastrophic.

**17. ARE ALL SCHEDULED FLIGHTS OPERATED WITH ONE OR TWO PILOTS?**

**ANSWER:**

Westward Airways operates all scheduled flights with two pilots: A Captain and a First Officer.

**EXPLANATION:**

Although the Pilatus PC-12 is type-certificated by the FAA for operation with one pilot, Westward operates flights with a crew of two. The presence of a First Officer to assist the Captain and ground crew presents a good value to the Company and its passenger.

In addition, by operating with First Officers, the Company also has a pipeline of future Captains.

**18. DOES COMPANY HAVE A SECURITY PROGRAM?**

**ANSWER:**

Westward Airways does not have a security program.

**EXPLANATION:**

Transportation Security Administration regulations do not require operators of aircraft with maximum certificated gross landing weights of less than 12,500 to conduct passenger screening.

However, Flight and Ground Crewmembers employed by Westward always exercise vigilance for suspicious activity while transporting passengers, and are authorized by federal regulations to search baggage, cargo, or question any suspicious passengers.

## Maintenance

**1. WHERE IS PRIMARY MAINTENANCE FACILITY LOCATED?**

ANSWER:

The primary maintenance facility is presently located in Scottsbluff, Nebraska.

**2. DOES COMPANY EMPLOY A DIRECTOR OF MAINTENANCE?**

ANSWER:

Yes.

EXPLANATION:

The Director of Maintenance position is required by FAR Part 135. Mr. James W. "Jim" Lohman serves as Westward's Director of Maintenance Operations.

**3. DOES COMPANY EMPLOY A CHIEF INSPECTOR?**

ANSWER:

No.

EXPLANATION:

The Chief Inspector position is required by those carriers which operate under FAR Part 121. The Federal Aviation Regulations do not require a Chief Inspector for those carriers operating under Part 135.

**4. IS MAINTENANCE AVAILABLE AT ALL STATIONS?**

ANSWER:

Yes, on a case-by-case basis.

EXPLANATION:

At Grand Island there are two maintenance facilities available that employ both Airframe and Power Plant Technicians.

**5. NUMBER OF LICENSED MECHANICS ON STAFF?**

ANSWER:

At the present, there are three licensed Airframe and Power Plant technicians on staff at Westward Airways.

**6. NUMBER OF AUTHORIZED INSPECTORS ON STAFF?**

ANSWER:

None.

EXPLANATION:

The positions of Inspector and Chief Inspector are required under FAR Part 121 regulations. They are not required for Part 135 operators.

**7. DESCRIBE ROTABLE PARTS INVENTORY ON HAND.**

**ANSWER:**

At its Scottsbluff Base of Operations, Westward Airways maintains a parts inventory with a value slightly in excess of \$100,000.

**EXPLANATION:**

With the assistance of Pilatus and Kelner Pilatus Center, The Company has identified components and rotables which are likely to have a higher wear rate. The Company then purchased these parts, and maintains them in a secured parts storage facility.

**8. DOES COMPANY HAVE A SPARE ENGINE(S) AND PROPELLER(S) ON HAND? IF NOT, HOW LONG WOULD IT TAKE TO GET A SPARE TO YOUR LOCATION?**

**ANSWER:**

The Company does not maintain a spare engine and propeller.

**EXPLANATION:**

The likelihood of the Pratt & Whitney engine developing any problems which would require a complete engine removal is not only extremely remote, but simply not worth the Company acquiring and storing this \$400,000 engine.

Because Pilatus Business Aircraft Limited maintains its North American headquarters at nearby Broomfield, Colorado, the Company has quick access to a spare power plant and propeller, should it ever be needed.

**9. DOES COMPANY MAINTAIN A CARDEX OR PARTS INVENTORY PROGRAM, AND DOES A FULL-TIME RECORDS CLERK MAINTAIN IT? HOW IS INVENTORY CONTROL MAINTAINED?**

**ANSWER:**

The Company utilizes a custom-designed Microsoft Access based program to track its spare parts inventory.

**EXPLANATION:**

This program tracks the Company's spare parts inventory, including (but not limited to) when and from whom the part was purchased, how much was paid for that part; when it was installed on which aircraft, and who installed it. In short, it provides the MIS capability the Company requires with a smaller fleet.

**10. WHAT TRAINING DOES COMPANY PROVIDE FOR MECHANICS AND IS IT FACTORY APPROVED?**

**ANSWER:**

Company Maintenance Technicians receive factory training from Pilatus Business Aircraft at Broomfield, Colorado. Basic and trouble-shooting courses have been attended by Westward's Maintenance Technicians.

## **Station Operations**

**1. DOES CARRIER HAVE OPERATIONS/STATION PROCEDURES MANUAL?**

ANSWER:  
Yes.

**EXPLANATION:**

Station policies and procedures are governed by the Station Operations Manual, which includes policies and procedures to ensure a safe and efficient operation within the station environment. The manual includes (but is not limited to) such topics as baggage check-in; passenger ticketing and processing; enplaning and deplaning, and deicing.

**2. DOES CARRIER HAVE FACILITIES AT EACH CITY SERVED ON ROUTE SYSTEM?**

ANSWER:  
If awarded the LB840 funding, the Company will lease and equip at each airport it serves.

**3. DOES COMPANY CONTRACT GROUND SERVICE FROM ANOTHER CARRIER?**

ANSWER:  
No – in present Nebraska operations.

**EXPLANATION:**

In the present Nebraska operations, passengers board out of FBOs at each city – except Scottsbluff – where the Company performs its own Station Operations. If awarded the LB840 funding, the Company will plan to lease, equip, and staff ticket counters at each airport it serves.

**4. DOES CARRIER MAINTAIN OWNED EQUIPMENT AT STATIONS; FOR EXAMPLE, DE-ICE EQUIPMENT, BAGGAGE CARTS, ETC.?**

**ANSWER:**

In present Nebraska operations, the Company does own equipment to operate its own stations; the more expensive pieces are the de-ice carts and Ground Power Units (GPUs). There are also other miscellaneous required equipment, such as computers, VHF radios, and furniture. Presently, each FBO is issued a Westward-owned GPU and De-Ice cart.

If awarded the LB840 funding, the Company will supply each station with the necessary equipment to safely and efficiently operate that station.

**5. DO STATION PERSONNEL HAVE DIRECT CONTACT WITH DISPATCH/RESERVATIONS/GENERAL OFFICE?**

ANSWER:  
Yes.

**EXPLANATION:**

For its communications needs, the Company makes use of telephone, facsimile, internet e-mail, and cellular technology.

**6. DESCRIBE BASIC COMPANY POLICY ON PASSENGERS DENIED BOARDING.**

ANSWER:

Westward Airways does not overbook flights. Accordingly, the only conceivable way a passenger may be denied boarding is if they are inebriated or under the obvious influence of a drug to the point where they are a hazard to themselves or a fellow passenger.

**7. DESCRIBE ON-LINE AND INTERLINE BAGGAGE-CHECKING PROCEDURES.**

ANSWER:

For on-line baggage acceptance, the procedure is generally as follows: 1) At the time the baggage is presented for check-in, the immediate concern for the Customer Care Agent is the quantity of bags, and the weight, size and condition of each bag. If the bag is damaged, a waiver of liability is obtained from the passenger. If the bag is overweight and/or oversized, a fee is assessed. Once the control of the bag is with the Company, every care is taken to ensure the security of that bag until it is loaded onto the aircraft.

Because the Company has no interline agreements, there are no interline baggage procedures.

**8. WHO IS THE LOCAL CARRIER'S FUEL SUPPLIER?**

ANSWER:

The local Fixed Based Operator (Trego-Dugan Aviation of Grand Island).

**Marketing**

**1. DOES THE COMPANY BELONG TO AIRLINE REPORTING CORPORATION (ARC)?**

ANSWER:

Yes.

**2. DOES THE COMPANY BELONG TO THE AREA SETTLEMENT PLAN?**

ANSWER:

No.

EXPLANATION:

There is no need to belong to the BSP as the majority of the Company's revenue is derived from online bookings or telephone calls to the Company Reservations Center. See explanation to question #1 above.

**3. WHAT ARE THE RESERVATION CONFIRMATION PROCEDURES/**

ANSWER:

When making the reservation, the itinerary is twice verified with the Customer. Upon creating the reservation, a Confirmation Sheet is delivered to the Customer, either by fax, e-mail, or USPS.

**4. WHAT IS COMPANY'S OVER-SALES/BUMPING POLICY?**

ANSWER:

The company does not over-sell any of its flights, and therefore is not required to bump passengers.

**5. IF CARRIER IS ON A MANUAL RESERVATIONS SYSTEM, DESCRIBE TYPE AND HOW THE STATIONS RETRIEVE MANIFEST, CAPACITY OF SYSTEM, ETC.**

ANSWER:

The Company Reservation System is automated and is hosted in the RadixxAir system. We do not operate in a manual environment.



www.westwardairways.com

**DEPARTMENT OF TRANSPORTATION  
OFFICE OF THE SECRETARY  
Attn: Mr. Trace Atkinson  
400 7th Street SE  
Nassif Building  
Suite 6401Q  
Washington, DC 20590**

**4/20/2005**

Dear Mr. Atkinson,

This letter is to inform you of recent management and ownership changes at Westward Airways and to demonstrate our continued fitness to operate. I would also like to thank you for your assistance in educating me on the requirements of Part 204, having never dealt with these requirements before.

If you have any questions concerning this information, or if you need more information, don't hesitate to give me a call.

Thank you again,  
Ryan Roberts  
Director of Operations  
Westward Airways, Inc.  
505) 527-5300





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www.westwardairways.com

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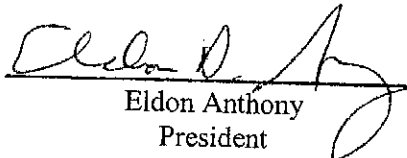
WESTWARD AIRWAYS, INC.  
Eldon Anthony, President  
250027 Airport Terminal Street  
Scottsbluff, NE 69361  
Phone: (308) 220-3838  
Fax: (308) 220-0576  
E-mail: eldon.anthony@westwardairways.com

Pursuant to Title 18 United States Code Section 1001, I, Eldon Anthony, President, Westward Airways, Inc., in my individual capacity and as the authorized representative of the Applicant, have not in any manner knowingly and willfully falsified, concealed or failed to disclose any material fact or made any false, fictitious or fraudulent statement or knowingly used any documents which contain such statements in connection with the preparation, filing, or prosecution of the Application. I understand that an individual who is found to have violated the provisions of 18 U.S.C. section 1001 shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

Respectfully submitted,

WESTWARD AIRWAYS, INC.

By:

  
Eldon Anthony  
President

**1. New key personnel who are currently employed by Westward Airways (Section 204.3(f)):**

| <b>Name</b>     | <b>Title</b>                        | <b>Address</b>   |
|-----------------|-------------------------------------|--|
| Eldon Anthony   | President                           | 2305 17 <sup>th</sup> Street<br>Gering, NE 69341         |
| James P. Elwood | Chief Financial Officer             | 719 Mountain View Lane<br>Scottsbluff, Nebraska<br>69361 |
| Paul L. Reed    | Chairman of the Board of Directors  | 880 E. Country Club Rd<br>Gering, NE 69341               |
| Todd E. Hlavaty | Member-at-Large, Board of Directors | 189 N. Longschool Rd<br>North Platte, NE 69101           |

**2. New key personnel resumes:**

**a. ELDON ANTHONY**

**EMPLOYMENT**      Westward Airways, Inc., President  
March 1, 2005 – Present

Anthony Consulting, Owner  
October 2003 – Present

3-A Rentals, LLC, Owner

Double M Investments, LLC, Owner

Oregon Trail Plumbing and Heating, Owner  
October 1978 – October 2003  
Scottsbluff, Nebraska

Custom Plumbing and Heating  
November 1977 – October 1978  
Scottsbluff, Nebraska

Schiefelbein Plumbing and Heating – Apprenticeship  
April 1977 to November 1977  
Scottsbluff, Nebraska

Settles Plumbing and Heating – Apprenticeship  
March 1976 to April 1977  
Scottsbluff, Nebraska

**EDUCATION**      Master Plumbing License – 1983:  
                         IAPMO Test Score = 99%  
                         Journeyman Plumbing License – 1979  
                         High School Diploma – 1970 Scottsbluff High School  
                         Scottsbluff, Nebraska

**AREAS OF EXPERTISE:** Various types of pump installations, applications, sizing, and repair to include centrifugal, submersible, diaphragm, lift stations, Microsoft Excel, and business programs and structure.

**A/C and Heating:** Installation, sizing applications and repair of hot water boilers, steam boilers, electric boilers, infrared, heat pumps, gas forced air, gravity air, air-to-air heat pumps, and water-to-air heat pumps; humidification of homes, offices and computer areas; fresh air and make-up air units; electronic air cleaning and media air cleaning; and media air cleaning; application and design of HVAC systems.

**Plumbing:** Servicing and repairing all facets of plumbing fixtures and brands to include faucets, closets, water coolers, and flush valves. New installations to include sizing and designing potable water, drain wastes, and vent systems from a single dwelling to a thirty-six unit townhouse complex with a swimming pool.

**New and Remodel:** Residential, commercial, industrial, plumbing, heating, air conditioning, refrigeration, to include designs at the Gering Civic Center and the Bluffs Business Center, and service repair.

**SEMINARS/WORKSHOPS:**

York Heat Pump and Air Conditioning Training  
York Heating and Combustion Air Training  
Boiler and Radiant Heating School: Febr.1981, Denver  
American Refrigeration Institute Study Course

**CERTIFICATION/LICENSES:**

Water Furnace Brand Certified Fusion Technician  
City of Torrington Master Plumber  
IMACA Certified R-12 Refrigerant Recovery  
ACCA Universal Technician (Refrigerant)  
City of Scottsbluff Master Plumber  
Propane Certified by the Nebraska Propane Gas Assoc. and  
the PHCC of Nebraska  
Certified TITEFLEX Interior Gas Piping  
City of Gering Master Plumber  
City of Sidney Master Plumber  
City of North Platte Master Plumber  
City of Alliance Heating and Cooling Contractor  
City of Alliance Gas Fitter

PURON Refrigerant Specialist  
Certified Air Rotation Applications  
Certified Make-Up Air Applications  
Certified Trenching and Shoring Safety

LOCAL ACTIVITIES:

Scottsbluff Country Club, Elks Lodge, Eagles Lodge  
Western Nebraska Blood Bank  
Western Nebraska Arts Center  
Zion Evangelical Church  
Gering Plumbing Board, President 1984-2004  
Wyo-Braska Builders Exchange, President 1996-Present

**b. JAMES P. ELWOOD**

Formal Education University of Nebraska, Bachelor of Science, Business Administration 1973

Employment Chief Financial Officer – WESTWARD AIRWAYS, INC.  
March 2005 – present

Owner, Business Manager – OREGON TRAIL PLUMBING,  
HEATING & COOLING INC.  
March 1990 – retirement January 2005

Owner – OHANA INVESTMENTS L.L.C., purchase,  
manage, negotiate and resell residential & commercial  
investment property August 1978 - present

Partner – DOUBLE M INVESTMENTS L.L.C.  
Industrial and commercial real estate development  
March 1990 - present

Personal Interests Private Pilot, Single Engine Land

**c. PAUL L. REED**

Education Hughesville High School 1972  
University of Wisconsin Superior 1972-1973  
University of Wyoming 1973-1977  
BS Degree in Construction Management

Employment R&C Welding & Fabrication, Inc. 1985-present  
Western Terminal Storage, Inc. 1987-present  
Western Travel Terminal, Inc. 1998-present

|               |   |              |
|---------------|---|--------------|
|               | Torrington Travel Terminal  | 1999-present |
|               | Reed & Madden LLC   | 2000-present |
|               | Reed & Wilson LLC   | 2001-present |
|               | Western Terminal Transportation   | 2002-present |
|               | Reed & Robinson LLC   | 2002-present |
|               | R & Twombly LLC   | 2002-present |
|               | Thorn & Roses LLC   | 2003-present |
|               | Reed Farms LLC  | 2004-present |
|               | Westward Airways, Inc.<br>Chairman of the Board   | 2005-present |
| Organizations | Twin City Development<br>Board of Directors   | 2003-present |
|               | NE Association of General Contractors<br>Board of Directors   | 1983-present |
|               | Member at Large:<br>Scottsbluff/Gering Chamber of Commerce<br>NFTB<br>Masonic Lodge<br>Scottsbluff Country Club |              |

**d. Todd E. Hlavaty, MD**

Todd B. Hlavaty, M.D. 48. Dr Hlavaty is currently the CEO and President of Sandhills Oncology, P.C., a professional corporation providing cancer services to patients in Western Nebraska. He founded the company in 1997 and has served in that role for the past eight years. He also serves on the Board of Directors of several corporations in which he has direct ownership.

He is past Chairman of the Board and is currently a member of the Board of Directors for Great Plains, PHO, a physicians/hospital organization dedicated to the management of physician's practices that currently represents over 70 physicians at Great Plains Regional Medical Center. He is currently a principal stockholder of Nebraskaland National Bank where he serves as one of initial stockholders and is a member of the Board of Directors and is a member of the holding company board. He is the managing general partner of 21 Century Visionaries, LLC, a corporation dedicated to ownership and management of residential housing in North Platte, Nebraska which was founded in 2000. He is also a member of the Board of Directors for Westward Airways, a start-up airline that initialized flight operations in Nebraska and New Mexico in May of 2004 and was involved in the initial organization and management of the company.

He is the current managing partner of Soaring LLC, which is a firm dedicated to hotel management in which he currently owns and operates hotels located in

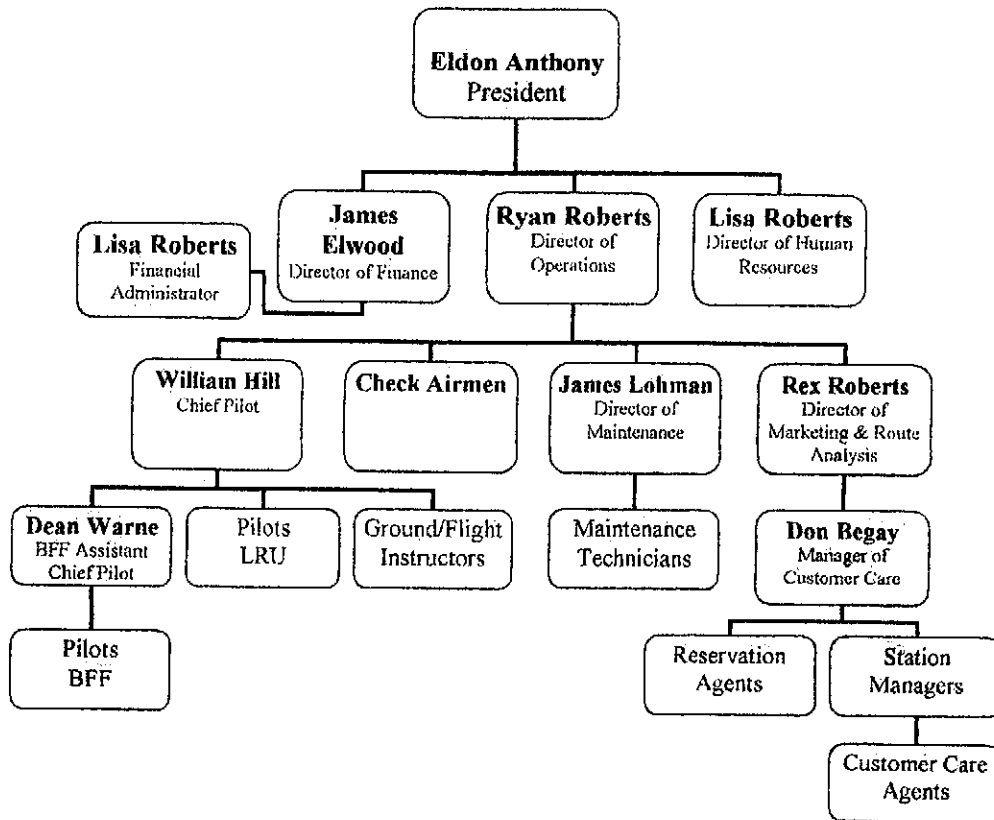
North Platte and Sidney, Nebraska. The newest property is a 4.5 million dollar project, the La Quinta hotel in North Platte, Nebraska.

He is the new managing partner and principal stockholder in Surgery investors LLC, a company dedicated to the management and control of the property of the free-standing surgery center in North Platte, Nebraska.

He is currently active in the community where he has served the past two years as President of the Mid-Nebraska Community Foundation managing over 10 million dollars in assets for a non-profit corporation.

Education B.S. Biology and Physics Tulane University New Orleans, La M.A. Health Sciences Management Webster University St Louis, Mo M.D. University of Arkansas Little Rock, Ark Internship Iowa Methodist Hospital Des Moines, IA Residency University of Iowa Hospitals and Clines Iowa City, IA

3) Organizational Chart:



**4) Responsibilities of new key persons:**

**Eldon Anthony**, President, is responsible for Company operations. All decisions are subject to his review. He may delegate duties but not the responsibility for those duties.

Duties and Responsibilities:

- a. Responsible for ensuring qualified operational control personnel are employed for Company Part 135 operations.
- b. Monitors operations to ensure the highest degree of compliance with Company policies and procedures.
- c. Analyses overall Company operations to improve safety and efficiency.
- d. Responsible for company planning.
- e. Responsible for maintaining the financial integrity of the Company.
- f. He/she is expected to have a full understanding of Aviation Safety Standards, the Federal Aviation Regulations, the Operations Specifications issued to the company, and the Manuals approved or accepted by the Administrator.

**James Elwood**, Chief Financial Officer, directs and oversees all financial activities of the corporation including preparation of current financial reports as well as summaries and forecasts for future business growth and general economic outlook.

Duties and Responsibilities:

- a. Prepare financial reports on a regular basis as directed by the President and the Board of Directors.
- b. Coordinate with the Director of Operations in the development of departmental budgets.
- c. Responsible for the general planning of the Company's financial administration.
- d. Responsible for paying what is owed to vendors in a timely manner.
- e. Responsible for the processing of employee payrolls.
- f. Responsible for the preparation, filing, and timely payment of all required Federal, State, and local taxes.
- g. Responsible for the preparation and mailing of invoices to customers as required.

**Paul L. Reed**, Chairman of the Board of Directors, leads the Board of Directors in providing general direction to the Company's senior management focusing primarily on strategic planning. Mr. Reed

**Todd E. Hlavaty**, Member-at-Large, Board of Directors, assists the Board of Directors in providing general direction to the Company's senior management focusing primarily on strategic planning.

**5) The citizenship of each new key person:**

All key personnel are U.S. citizens, as shown in their attached affidavits.

**6) Westward's fleet of aircraft**

a. The number of each type of aircraft owned, leased and to be purchased or leased:

The Applicant presently leases 3 Pilatus PC-12 aircraft.



Douglas R. Walker, City Attorney  
Dale M. Shotkoski, Assistant City Attorney

June 20, 2005



**Citizens Review Committee**

7 E: Application of Westward Air – June 21, 2005 Meeting

Dear Member:

I am writing to provide you with a copy of the Nebraska statute which defines eligible businesses for economic development funding. You will also find enclosed the portion of the Grand Island Economic Development Plan approved by the voters of Grand Island in May 2003, which sets forth the categories of eligible businesses. It is my opinion that the Westward Air application for funding does not allow it to qualify under the categories for eligible businesses for EDC funding as set forth in Neb. Rev. Stat. §18-8709 or pursuant to Section IV of the City's Economic Development Plan. I have enclosed copies of these documents for your review. It will therefore be my recommendation that EDC funds not be extended to Westward Air because they do not appear to fit within any of the categories of businesses that are eligible for LB 840 plan funds.

Sincerely yours,

**CITY OF GRAND ISLAND**

DOUGLAS R. WALKER  
City Attorney

DRW/sp

Enc.

cc: Mayor Jay Vavricek  
Gary Greer, City Administrator  
Marlan Ferguson, Economic Development Corporation

**18-2709****Qualifying business, defined.**

Qualifying business shall mean any corporation, partnership, limited liability company, or sole proprietorship which derives its principal source of income from any of the following: The manufacture of articles of commerce; the conduct of research and development; the processing, storage, transport, or sale of goods or commodities which are sold or traded in interstate commerce; the sale of services in interstate commerce; headquarters facilities relating to eligible activities as listed in this section; telecommunications activities, including services providing advanced telecommunications capability; or tourism-related activities. In cities of the first and second class and villages, a business shall also be a qualifying business if it derives its principal source of income from the construction or rehabilitation of housing. In cities with a population of more than two thousand five hundred inhabitants and less than ten thousand inhabitants, a business shall also be a qualifying business if it derives its principal source of income from retail trade, except that no more than forty percent of the total revenue generated pursuant to the Local Option Municipal Economic Development Act for an economic development program in any twelve-month period and no more than twenty percent of the total revenue generated pursuant to the act for an economic development program in any five-year period, commencing from the date of municipal approval of an economic development program, shall be used by the city for or devoted to the use of retail trade businesses. For purposes of this section, retail trade shall mean a business which is principally engaged in the sale of goods or commodities to ultimate consumers for their own use or consumption and not for resale. In cities with a population of two thousand five hundred inhabitants or less, a business shall be a qualifying business even though it derives its principal source of income from activities other than those set out in this section.

If a business which would otherwise be a qualifying business employs people and carries on activities in more than one city in Nebraska or will do so at any time during the first year following its application for participation in an economic development program, it shall be a qualifying business only if, in each such city, it maintains employment for the first two years following the date on which such business begins operations in the city as a participant in its economic development program at a level not less than its average employment in such city over the twelve-month period preceding participation.

A qualifying business need not be located within the

territorial boundaries of the city from which it is or will be receiving financial assistance.

**Source:**

Laws 1991, LB 840, § 10; Laws 1993, LB 121, § 145;  
Laws 1993, LB 732, § 18; Laws 1994, LB 1188, § 1;  
Laws 1995, LB 207, § 4; Laws 2001, LB 827, § 14.

**SECTION IV. DESCRIPTION OF TYPES OF BUSINESSES THAT WILL BE ELIGIBLE**

- A. A qualifying business shall mean any corporation, partnership, limited liability company or sole proprietorship that derives its principal source of income from any of the following:
1. The manufacturer of articles of commerce;
  2. The conduct of research and development;
  3. The processing, storage, transport, or sale of goods or commodities which are sold or traded in interstate commerce as distinguished from goods offered for sale at retail locally;
  4. The sale of services in interstate commerce as distinguished from services offered on a local or area basis;
  5. Headquarters facilities relating to eligible activities as listed in this section;
  6. Telecommunications activities; or
  7. End Destination Tourism-Related Activities.
- B. A qualifying business must be located within the zoning jurisdiction of the city unless a variance is granted for special circumstances.
- C. Any other business deemed a qualifying business through future action of the Legislature.

**SECTION V. REVOLVING LOAN FUND**

- A. The amount of funds available for any single project shall not exceed the amount of funds available under the Economic Development Program during the project term, nor shall it provide for more than fifty percent (50%) of total project costs. An applicant must provide participation and evidence of participation through private funding as distinguished from federal, state, or local funding in the minimum amount of fifteen percent (15%) equity investment. The right is reserved to negotiate the terms and conditions of the loan with each applicant, which terms and conditions may differ substantially from applicant to applicant.
- B. The interest rate shall be negotiated on an individual basis. The term shall not exceed fifteen (15) years for loans used for real estate and building assets and not to exceed seven (7) years for loans involving any other asset category such as furniture, fixtures, equipment or working capital. Security for loans will include, but will not be limited to, Promissory Notes, a Deed of Trust, UCC filings and personal and/or corporate guarantees as appropriate and may be in a subordinate position to the primary commercial or government lender.
- C. If the loan is approved as performance based, a qualifying business may be approved to recapture on a grant basis a portion of the loan amount to be determined by the Economic

COPY

THE LEGAL PROFESSIONAL CORPORATION  
of  
HOWARD E. TRACY

ATTORNEY AT LAW  
HOWARD E. TRACY

706 WEST KOENIG STREET  
GRAND ISLAND, NEBRASKA 68801-6556

TELEPHONE 308-382-5154  
FAX 308-382-3242  
E-MAIL lpclaw@kdsi.net

June 20, 2005

Board of Directors  
Grand Island Area Economic  
Development Corporation  
P.O. Box 1151  
Grand Island, NE 68802



Re: Westward Airways LB-840 Project Application

Dear Board Members:

Your President, Marlan Ferguson, has requested that we review the above named Application and present our opinion on the limited question of whether Westward Airways is a qualifying business whose proposed project is a qualified activity under the Local Option Municipal Economic Development Act, often referred to as LB 840 (The State Act) and the City of Grand Island, Nebraska, Economic Development Program (The City Program).

In connection with giving this opinion we have reviewed The State Act and The City Program and have considered the relevant legal procedures for interpreting legislative language.

Section 18-2709 of The State Act provides in part that:

Qualifying business shall mean any corporation, . . .  
which derives its principal source of income from . . .  
. the sale of services in interstate commerce; . . .  
as listed in this section,

A basic rule of statutory interpretation is:

Absent anything indicating to contrary, statutory language is to be given its plain and ordinary meaning; when words of statute are plain, direct and

Board of Directors  
Grand Island Area Economic Development Corporation  
June 20, 2005  
Page 2

unambiguous, no interpretation is necessary or will be indulged to ascertain their meaning.

Another basic rule of statutory interpretation is:

In settling upon meaning of statute, appellate court must determine and give effect to purpose and intent of Legislature as ascertained from entire language of statute considered in its plain, ordinary, and popular sense, it being court's duty to discover, if possible, Legislature's intent from language of statute itself.

When examined in light of those two (2) basic rules we find that Westward Airways' Application to secure financing to allow it to provide airline flight services from Grand Island, Nebraska, to Kansas City, Missouri, qualifies as the "sales of services in interstate commerce" under The State Act.

In Section IV, item 4, The City Program uses slightly different language as follows:

The sale of services in interstate commerce as distinguished from services offered on a local or area basis;

However, we do not believe that difference in language disqualifies Westward Airways from The City Program.

In Section 18-2705 The State Act provides in part:

Economic development program shall mean any project or program utilizing funds derived from local sources of revenue for the purpose of providing direct or indirect financial assistance to qualifying business . . . . An economic development program may include, but shall not be limited to, the following activities: Direct loans or grants to qualifying businesses for fixed assets or working capital or both; . . . .

Board of Directors  
Grand Island Area Economic Development Corporation  
June 20, 2005  
Page 3

Item 7 of paragraph B of Section V of The City Program provides:

The Economic Development Program may include, but shall not be limited to, the following activities: . . .  
. 7. Other creative and flexible initiatives to stimulate the economic growth in the Grand Island area (activities which may be funded through the Economic Development Program or General Fund as authorized by Section 13-315 R.R.S.).

Section 13-315 R.R.S. which The City Program refers to including using City funds "for the purpose of encouraging immigration, new industries, and investment . . . ."

We conclude that the project included in the Westward Airways' Application falls within the parameters of those provisions.

Finally, we note that Section 18-2709 of The State Act specifically states that:

A qualifying business need not be located within the territorial boundaries of the city from which it is or will be receiving financial assistance.

However, The City Program states in Section IV, paragraph B:

A qualifying business must be located within the zoning jurisdiction of the city unless a variance is granted for special circumstances.

Under that provision a question might arise. However, our understanding is that Westward Airways will have employees located at the Hall County Regional Airport under the proposed project and we believe that means that they are located there in the same general sense that, for example, many banks advertise that they have locations in several different towns. Moreover, the separate listing of permitted activities in paragraph A of that same Section IV states:

Board of Directors  
Grand Island Area Economic Development Corporation  
June 20, 2005  
Page 4

5. Headquarters facilities relating to eligible activities as listed in this section;

That separation implies that the headquarters of an otherwise qualifying business is not required to be located in Grand Island.

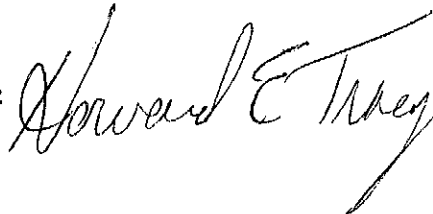
Accordingly, it is our opinion that Westward Airways is a "qualified business" and that the project anticipated on its Application is a qualified activity under The State Act and The City Program.

This letter is limited to the issues discussed and does not include any other issues which may arise in the determination of the approval or disapproval of the Westward Airways Application.

Very truly yours,

THE LEGAL PROFESSIONAL CORPORATION  
OF HOWARD E. TRACY

BY:



HET:kjz



OFFICIAL PROCEEDINGS

CITY OF GRAND ISLAND, NEBRASKA

MINUTES OF CITIZENS' REVIEW COMMITTEE

June 21, 2005

Pursuant to due call and notice thereof, a Regular Meeting of the Citizens' Review Committee (CRC) of Grand Island, Nebraska was conducted in the Council Chambers of City Hall, 100 East First Street, on June 21, 2005. Notice of the meeting was given in the *Grand Island Independent* on June 15, 2005.

Chairman Tim White called the meeting to order at 8:00 a.m. The following board members were present: Tim White, Ed Armstrong, Lisa Willman, Dehn Renter, Dan Eakes, and Mark Stelk. Board member Bill Thiemann was absent. The following City Officials were present: City Administrator Gary Greer, City Clerk RaNae Edwards, Finance Director David Springer, and City Attorney Doug Walker

APPROVAL OF MINUTES. Motion was made by Armstrong, second by Willman to approve the minutes of the February 15, 2005 CRC meeting. Motion adopted unanimously.

REVIEW OF LB-840 APPLICATION – WESTWARD AIRWAYS, INC.: Marlan Ferguson, Grand Island Economic Development (EDC) President reported on the Westward Airways, Inc. application. Mr. Ferguson stated east and west air service had been a top priority for many years. The request was for \$120,000 matching funds. The Grand Island Area Economic Development Corporation Executive Committee approved utilizing LB-840 funds of \$120,000 to match a federal grant of \$380,000 for start up costs and promotional activities for east bound air service to Lincoln and Kansas City.

Mr. Ferguson mentioned that additional boarding's would assist the Airport Authority in reaching the 10,000 enplanements which were needed to secure 1 million dollars of federal funds for airport improvements. Also mentioned was a survey done by the EDC which showed support for this project.

Eldon Anthony, President of Westward Airways, Inc. explained that a Pilatus PC-12 airplane would be used that would seat 9 passengers. Also explained were the areas that Westward Airways served, benefits to the City, and job creation of 6 positions.

Discussion was held with regards to departure and arrival times with connecting flights, usage of this service, fuel costs, and ticket prices.

Ken Caldwell, Chairman of the Hall County Airport Authority explained the DOT support for LB-840 funds. Also mentioned were the infrastructure improvements at the airport. Discussed was the importance of the 1 million dollar matching funds which would benefit the City.

Doug Walker, City Attorney commented on a report submitted to the committee concerning the eligibility of this business for economic development funding. He felt the purpose of this committee was to fund businesses which would create jobs for the community and that this application was a subsidy for Westward Airways, Inc.

Marlan Ferguson, EDC President stated the state statute was broad and would allow for this type of application.

Curtis Greiss, 26 Kuester Lake and Ron Depue, Attorney for Hall County Airport Authority spoke in support of this application. Renee Seifert, Hall County Convention Visitor's Bureau spoke concerning the opportunities and events within the community and supported this application.

Gary Greer, City Administrator commented on a question from the Board with regards to the City Attorney's opinion. He stated the board needed to weigh all the facts and make a decision on what was presented at this meeting.

Cindy Johnson, President of the Chamber of Commerce spoke with regards to the cost of doing business and the impact this application would have on other businesses.

Motion was made by Armstrong, second by Renter to approve the application of Westward Airways, Inc. for \$120,000 of LB-840 funds. Upon roll call vote, Willman, Eakes, Stelk, Armstrong, and Renter voted aye. White abstained. Thiemann was absent. Motion adopted.

ADJOURNMENT: The meeting was adjourned at 9:25 a.m.

RaNae Edwards  
City Clerk



5. Product or Service Provided: Two round trip flights per day (Mon-Fri) to Kansas City.  
Two round trip flights per day (Mon-Fri) to Lincoln.  
A total of four round trip flights per day from Grand  
Island to points east.

6. Project Description: Partnership between Westward Airways, Inc. and the  
Community/EDC to provide matching funds of \$120,000 along  
with the Hall County Airport Authority's grant for \$380,000  
allowing the utilization of the Small Communities Air Service  
Grant which will provide quality, affordable, air service and  
Connections to the business community.

7. Project Timetable: Flights to begin within 60 days

8. Employment Information:

Current # of employees: 47 (full-time equivalent)

Proposed # of employees: 53 (full-time equivalent)

What is the average hourly wage for all employees? \$12.25 plus benefits

Number of new jobs to be created: 6 (full-time equivalent)

What would be the average hourly wage for new jobs? \$12.25 plus benefits

Number of jobs to be retained, if any: n/a (full-time equivalent)

Please describe all benefits which the business provides to employees:

Full health benefit package

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9. Financing/Incentives Requested:

\$120,000 matching funds from community (required)

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NOTE: Additional Information may be required and made part of this application by attachment.

To the best of my knowledge, this application and supporting information is accurate, and may be relied upon by representatives of the Grand Island Area Economic Development Corporation (GIAEDC).

By: Eldon Anthony, President

  
\_\_\_\_\_  
(Signature of Business official and title)

April 26, 2005

Project: Westward Airways

Date Referred to Grand Island Area Economic Development Board: 4.26-05

Approved: X Disapproved: \_\_\_\_\_ Date: 6-8-05

Comments: See Cover Letter dated 6-13-05  
\_\_\_\_\_  
\_\_\_\_\_

Signature of President: Marlan Ferguson  
Marlan Ferguson

Date Referred to Citizen's Review Committee: \_\_\_\_\_

Approved: X Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Chairman: Tim White, Chairman  
Tim White

Date Referred to City Council: \_\_\_\_\_

Approved: \_\_\_\_\_ Disapproved: \_\_\_\_\_ Date: \_\_\_\_\_

Comments: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Mayor: \_\_\_\_\_  
Jay Vavricek

## ECONOMIC DEVELOPMENT AGREEMENT

In reliance upon the LB-840 project application of Westward Airways, Inc. (Westward), which is a qualifying business and which will have a beneficial economic impact upon the Grand Island area by providing eastern air service to and from Grand Island, Nebraska, the City of Grand Island (The City), and the Grand Island Area Economic Development Corporation (the Development Corporation) hereby agree to provide Westward with the assistance described in this Economic Development Agreement. Westward hereby accepts the economic assistance expressly set forth below and agrees to the terms and conditions.

1. Subject to the provisions of paragraphs 2 and 3 of this Economic Development Agreement, The City will provide Westward \$120,000 from the LB-840 funds over a twelve-month period so that Westward may provide eastern air service out of the Central Nebraska Regional Airport. For the purpose of this Agreement a month means thirty (30) consecutive days.

2. The \$120,000 obligation of The City is intended to constitute matching funds for a federal Department of Transportation grant for the Hall County Airport Authority in the amount of \$380,000. The LB-840 funds will only be provided if the Hall County Airport Authority secures the federal grant and The City will have no obligation if that federal grant is not obtained.

3. Beginning not later than sixty (60) days after the Hall County Airport Authority notifies The City and Westward that the federal grant has been approved and funded, Westward will begin providing the following Flight Service to and from the Hall County Regional Airport: two (2) round trip flights to and from Kansas City, Missouri, and two (2) round trip flights to and from Lincoln, Nebraska, each day, Monday through Friday of each week. For up to twelve (12) months payments at the rate of \$10,000 per month will be paid by The City to Westward for each consecutive month that Flight Service is maintained. The City will have no obligation to make any payments to Westward for any month that Westward does not maintain the Flight Service or any month thereafter.

4. Westward will invoice The City through the Hall County Airport Authority at the end of each one-month period during which the Flight Service is continuously maintained. The Hall County Airport Authority will confirm the validity of the invoice and send it to The City for payment.

5. Throughout the twelve-month period Westward will make commercially reasonable efforts to provide safe, reliable, on-time air service, weather permitting. Westward will work jointly with the Hall County Airport Authority to market the Westward eastbound air service with a goal to attain the necessary 10,000 passenger enplanements that will allow the Hall County Airport Authority to continue the existing primary status and maintain Airport Improvement Program entitlement funds in the amount of \$1 million annually from the FAA. The Westward business marketing team will be committed to monitoring the Kansas City departure banks and will alter flight times as necessary to meet market demand. Westward will work to provide reasonable pricing of their tickets to promote enplanements at the Hall County Regional Airport and the financial growth of Westward.

6. Westward will provide courtesy van shuttle service to and from the main terminal area in Kansas City and Lincoln.

7. Upon request of Development Corporation, Westward shall furnish any additional documentation Development Corporation deems necessary to confirm that Westward has met its obligations under this Economic Development Agreement.

8. This Economic Development Agreement contains all of the agreements and understandings between the Development Corporation, The City, and Westward relative to the provisions hereof and supersedes any and all prior agreements and understandings whether written or oral concerning economic development grants or incentives.

9. The provisions of this Agreement are fully binding upon the Development Corporation, the City and Westward.

Dated this \_\_\_\_\_ day of June, 2005.

GRAND ISLAND AREA ECONOMIC  
DEVELOPMENT CORPORATION

By Marlan Ferguson  
Marlan Ferguson, President

WESTWARD AIRWAYS, INC.  
Qualifying Business

By Eldon Anthony  
Eldon Anthony, President

THE CITY OF GRAND ISLAND

By \_\_\_\_\_  
Jay Vavricék, Mayor



RESOLUTION 2005-193

WHEREAS, on July 22, 2003, the City of Grand Island adopted an Economic Development Program and a Citizens Advisory Review Committee to oversee the process of approving applications for economic development incentives; and

WHEREAS, Westward Airways, Inc., a Nebraska corporation, has applied for a forgivable loan in the amount of \$120,000 from the Grand Island Area Economic Development Corporation in accordance with the Economic Development Program to match a federal grant of \$380,000 for start up costs and promotional activities; and

WHEREAS, such application has been approved by the executive committee of the Economic Development Corporation and was approved on June 21, 2005 by the Citizens Advisory Review Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the Economic Development Agreement by and between the City, the Grand Island Area Economic Development Corporation and Westward Airways, Inc., a Nebraska corporation, to provide \$120,000 in economic assistance through a forgivable loan to Westward Airways, Inc., to be used as a match for a federal grant in the amount of \$380,000 for start up costs and promotional activities to provide eastbound flight service from Grand Island, Nebraska is hereby approved.

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed to execute such agreement on behalf of the City of Grand Island.

- - -

Adopted by the City Council of the City of Grand Island, Nebraska, June 28, 2005.

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RaNae Edwards, City Clerk

|                     |                 |
|---------------------|-----------------|
| Approved as to Form | ☐ _____         |
| June 23, 2005       | ☐ City Attorney |