

## AIR SERVICE GUARANTEE PARTICIPATION AGREEMENT

This Agreement is entered into on this \_\_\_\_ day of January, 2019 between the City of Joplin, Missouri, a constitutional charter city (“Joplin”), and the Joplin Area Chamber of Commerce Foundation, a Missouri nonprofit corporation (the “Participant”); The parties agree as follows:

1. Background. Improved air service at the Joplin Regional Airport is in the best interest of all parties to this Agreement. American Airlines, Inc. (“American”) is interested in providing air service between Joplin Regional Airport and Chicago O’Hare International Airport. One condition to the establishment of this air service is that American will receive a Revenue Shortfall guarantee from Joplin. Joplin and American have negotiated an air service agreement (the “Air Service Agreement”) which agreement shall be substantially in the form attached as Exhibit A and incorporated herein by this reference. The Air Service Agreement grants to American from Joplin a Revenue Shortfall guarantee for the Term of the Air Service Agreement in the amount of \$600,000.00 (the “Guarantee”). Joplin is unable by itself to provide funds for the entire amount of the Guarantee and is separately contributing \$100,000.00 in marketing. In order to enable Joplin to enter into the Air Services Agreement with American, Participant wishes to provide resources to assist Joplin in providing the necessary Guarantee to American.

2. Revenue Guarantee. The parties hereto agree to share the liability for the Guarantee contained in the Air Service Agreement as set forth herein below.

3. Limitation on Liability. The maximum liability of each party hereto for the Guarantee shall be as follows:

For the Term of the Air Service Agreement:

City of Joplin:	\$400,000.00
Joplin Area Chamber of Commerce Foundation:	\$200,000.00

4. Payment of Funds. In the event Joplin receives a Revenue Shortfall invoice for any Settlement Period pursuant to the Air Services Agreement, Joplin shall promptly submit a copy of such invoice to Participant. Within fifteen (15) days of receipt of a copy of a Revenue Shortfall invoice, Participant shall remit to Joplin one-third (1/3) of the Revenue Shortfall amount, representing Participant’s full proportional share of the Revenue Shortfall owed to American for the invoiced Billing Period. For example, if the Revenue Shortfall for a Settlement Period is \$9,000.00, Participant would pay Joplin \$3,000.00.

In the event Participant fails to timely remit to Joplin its proportional share of a Revenue Shortfall, Participant agrees to pay interest on any overdue payment owed

to Joplin from the date such payment is due under this Agreement until the date such payment is received by Joplin at an annual rate of 12%.

In the event Participant does timely remit to Joplin its proportional share of a Revenue Shortfall, but Joplin fails to timely remit to American full payment of the Billing Period invoice, Joplin shall be solely liable for any interest charges assessed by American on the overdue payment and Joplin shall indemnify and hold harmless Participant from any such interest or costs associated therewith.

5. Quarterly Statements. Joplin shall provide quarterly statements to Participant on the status of the Air Service Agreement.

6. Records. All records available to Joplin under the Air Service Agreement shall be made available to Participant upon request.

7. Audits. Joplin may, at the request of any party, exercise its right under the Air Service Agreement to conduct an audit of American's records. The party requesting the audit shall pay all costs of the audit. In the event Joplin and Participant mutually determine to request an audit, Joplin and Participant shall share the costs of such audit proportionally, with Joplin paying 2/3 of the cost and Participant paying 1/3 of the cost.

8. Benefit of Parties. This Agreement is for the sole benefit of Joplin and Participant. Nothing in this Agreement is intended to confer any rights or remedies on any other person.

9. Authority of Signatories. The signatories to this Agreement, by signing this Agreement, represent that they have obtained authority to enter into this Agreement on behalf of the respective parties to this Agreement and bind such parties to all terms and conditions contained in this Agreement.

10. Counterparts. This Agreement may be executed by the parties in several counterparts, each of which shall be deemed an original instrument.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

**CITY OF JOPLIN, MISSOURI**

By: \_\_\_\_\_  
Samuel L. Anselm, City Manager

ATTEST:

\_\_\_\_\_  
Barbara J. Gollhofer, City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Peter C. Edwards, City Attorney

**PARTICIPANT:** Joplin Area Chamber of  
Commerce Foundation

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_