

K16-255

**THIRD AMENDMENT
AIRLINE-AIRPORT USE AND LEASE AGREEMENT
BETWEEN
THE CITY OF NEW ORLEANS
BY AND THROUGH
THE NEW ORLEANS AVIATION BOARD
AND
FEDERAL EXPRESS CORPORATION.**

This Third Amendment (this "Amendment") to the Airline-Airport Use And Lease Agreement (the "Original Agreement"), dated January 1, 2009, between the City of New Orleans ("City") represented by Mitchell J. Landrieu, its Mayor, by and through the New Orleans Aviation Board ("NOAB") represented by Cheryl Teamer, its Chairwoman and FEDERAL EXPRESS CORPORATION ("AIRLINE") represented by its authorized representative is entered into between the parties hereto with an effective date of January 1, 2016 (the "Effective Date")

WITNESSETH:

WHEREAS, NOAB administers, operates, and manages the Louis Armstrong New Orleans International Airport (the "Airport") that is owned by the City; and

WHEREAS, NOAB has the legal and sole responsibility for the operation, maintenance, improvement and promotion of the Airport; and

WHEREAS, NOAB has the right to lease, license, or otherwise provide for the use of land, property and facilities of the Airport and has full power and authority to enter into this Amendment in respect thereof subject to the approval of the New Orleans City Council; and

WHEREAS, AIRLINE is engaged in the business of transportation by air of persons, property, mail, parcels and/or cargo; and

WHEREAS, AIRLINE previously entered into the Original Agreement that granted rights to certain Preferential Use Premises and Common Use Premises, as well as certain other rights, services and privileges in connection with the use of the Airport and its facilities; and

WHEREAS, the Parties to the Agreement previously executed (1) a first amendment to the Original Agreement, with an effective date of January 1, 2014 (the "2014 Amendment"), and (2) a second amendment to the Original Agreement, with an effective date of January 1, 2015 (the "2015 Amendment") (the Original Agreement, 2014, and 2015 Amendments, collectively the "Agreement") that provided for, among other things, extension of the Term of the Agreement through December 31, 2015 and AIRLINE support of the North Terminal Project for the north terminal building (the "North Terminal") and business plan outlined in an Airline-Airport Use and

Lease Agreement Term Sheet ("Term Sheet") that was attached to the 2015 Amendment as Exhibit A; and

WHEREAS, the parties hereto desire to amend the Agreement to, among other things, (1) extend the Term of the Agreement, and (2) modify certain provisions of the Term Sheet; and

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, agree to further amend the Agreement, as set forth below:

1.) New Definitions and Amendment to Article 1 of the Agreement. Article 1 of the Agreement is hereby amended by inserting or amending the following definitions:

- a. Modifying the definition of "Amortization Requirement" by inserting the following at the end of the definition:

"Notwithstanding the foregoing, NOAB and the Air Transportation Companies agree to accelerate rate-based amortization on the South Terminal Building, which amortized amount between 2014 and 2018 is estimated to be \$34 million. Any amounts collected from this accelerated amortization will be applied to retire the GO Zone Loan, which NOAB intends to retire on or before December 31, 2017. Scheduled payments on the GO Zone Loan are included within the Debt Service Fund Requirement at \$3.4 million per Fiscal Year for the Fiscal Years 2014 through 2017. Such payments will remain as Air Transportation Company-supported costs in the Debt Service Fund Requirement as part of the rate base but will be supplemented by an estimated \$8 million annual amount derived from accelerated amortization of the South Terminal Building to be included in the rate base."

- b. Modifying the definition of "General Purposes Account Requirement" by deleting " , i.e., \$6.0 million in each Fiscal Year" and inserting "." in lieu thereof.

- c. Inserting the following definition of "North Terminal Building" immediately following the definition of "Non-Signatory Airline":

"1.57a North Terminal Building shall mean that passenger terminal building and related facilities that will be or have been constructed at the north portion on the Airport pursuant to and in accordance with the Term Sheet, as amended."

- d. Inserting the following definition of "North Terminal Occupancy" immediately following the definition of "North Terminal Building":

"1.57b North Terminal Occupancy shall mean the date that the North Terminal Building is able to be occupied by Air Transportation Companies for

passenger operations, which date shall occur on the latest to occur of (a) the date that either a temporary or permanent certificate of occupancy or such other permit that permits operations has been issued for the North Terminal Building, (b) the date that the Signatory Airlines have had at least ninety (90) days to prepare the North Terminal Building as contemplated by Section 4.01E of the Agreement, and (c) the date that the baggage handling system is operational as determined by the Signatory Airlines in accordance with the Term Sheet.”

- e. Inserting the following definition of “North Terminal Project” immediately following the definition of “North Terminal Occupancy”:

“1.57c North Terminal Project shall mean the construction of the North Terminal Building as contemplated by the Term Sheet, as amended.”

- f. Inserting the following definition of “Term Sheet” immediately following the definition of “Term”:

“1.83a Term Sheet shall mean that certain Airline-Airport Use and Lease Agreement Term Sheet incorporated into this Agreement by amendment, as the same has been or may be amended.”

- 2.) Replacement of Definitions and Amendment to Article 1 of the Agreement. Article 1 of the Agreement is hereby amended by deleting the definitions of “Indenture” and “Terminal Building” and replacing them with the following:

“1.45 Indenture shall mean the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the “**General Indenture**”) among the Aviation Board, The Bank of New York Mellon Trust Company, N.A. (the “**Trustee**”) and the City, as supplemented and amended by (i) a First Supplemental Trust Indenture dated as of February 1, 2009 (the “**First Supplemental Indenture**”) and a Second Supplemental Trust Indenture among the same parties and dated as of March 1, 2015 (the “**Second Supplemental Indenture**,” and together with the General Indenture and the First Supplemental Indenture, the “**Indenture**”).”

“1.85 Terminal Building - shall mean the existing passenger terminal building and related facilities at the Airport’s South Terminal as illustrated on Exhibit A-South Terminal (the “South Terminal Building”). Upon North Terminal Occupancy, Terminal Building shall mean the North Terminal Building that will be illustrated on an amended Exhibit A-North Terminal”.

- 3.) Amendment to Article 2.02 of the Agreement. Effective January 1, 2016, Section 2.02 of the Agreement is deleted in its entirety and replaced with the following:

“2.02 Rates Effective. On January 1, 2016 all prospective Signatory Airlines will begin paying Signatory Airline rates and charges per this Agreement, subject to the following conditions:

- A. Any Air Transportation Company executing an extension to this Agreement by May 1, 2016 will be eligible to pay rentals, fees, and charges assessed to Signatory Airlines for the entire Fiscal Year 2016 and participate in the Settlement for Fiscal Year 2016 pursuant to Article 8.04.
 - B. Any Air Transportation Company executing an extension to this Agreement after May 1, 2016 will pay Non-Signatory Airline rates, fees, and charges.
 - C. Notwithstanding anything herein to the contrary, including the South Terminal Building’s being demolished, AIRLINE understands and agrees that funds set aside to pay debt service on the March 1, 2015 GARBS, under the Indenture, will be depleted by May 1, 2018 and that any additional debt service on the March 1, 2015 GARBS, under the Indenture, will be included in the rate base as part of the Debt Service Requirement.”
- 4.) Amendment to Article 2 of the Agreement. Section 2.03 of the Agreement is hereby deleted in its entirety.
- 5.) Extension and Amendment to Article 3 of the Agreement. The parties hereby agree to amend Article 3 of the Agreement to extend the term of the Agreement to the date that is the earlier to occur of: (1) the date that a new Airline – Airport Use and Lease Agreement is executed by NOAB and at least two (2) Signatory Airlines that together account for a numerical majority of the total enplaned passengers served at the Airport in the immediately preceding twelve month period; (2) the date that is five (5) years after North Terminal Occupancy; and (3) December 31, 2023.

Notwithstanding the foregoing, if neither the execution of a new Airline-Airport Use and Lease Agreement as contemplated above nor North Terminal Occupancy has occurred on or before December 31, 2023, unless otherwise extended, the Agreement will continue thereafter on a month-to-month basis until the date that a new Airline-Airport Use and Lease Agreement is executed as contemplated above, the Agreement is extended or the Agreement is terminated.

6.) Amendment to Article 4 of the Agreement.

- a. Article 4 of the Agreement is hereby amended by inserting the following Section 4.01D immediately following Section 4.01C:

“D. On or before January 31, 2016, AIRLINE will be provided with a one-time opportunity to notify NOAB that it intends to return no more than 25% of its Preferential Use Premises to the Airport. On February 1, 2016, any such reduction to AIRLINE’S Preferential Use Space shall be effective, and AIRLINE and NOAB agree to replace Exhibits B, C and F, as and to the extent needed, to reflect such reduction in AIRLINE’S Preferential Use Premises. AIRLINE’S Preferential Use Premises as of February 1, 2016 shall not be modified until North Terminal Occupancy unless AIRLINE desires to lease additional premises at the Airport and is able to reach an agreement with NOAB for the use of such additional premises in accordance with the terms of this Agreement. After North Termination Occupancy but on or before December 31, 2020, AIRLINE will be provided with a one-time opportunity to notify NOAB that it intends to return no more than 25% of its Preferential Use Premises to the Airport effective January 1, 2021. AIRLINE’S Preferential Use Premises as of January 1, 2021 shall not be modified for the remainder of the Term unless AIRLINE desires to lease additional premises at the Airport and is able to reach an agreement with NOAB for the use of such additional premises in accordance with the terms of this Agreement.”

- b. Article 4 of the Agreement is hereby amended by inserting the following Section 4.01E immediately following Section 4.01D:

“E. NOAB and AIRLINE acknowledge and agree that NOAB is constructing the North Terminal Building as contemplated by the Term Sheet, and NOAB and AIRLINE agree to the terms of the Term Sheet and the construction of the North Terminal Building pursuant to and in accordance with the terms of Section 1 and Exhibit A thereof. In connection therewith, NOAB and AIRLINE further agree as follows:

- (1) On or before January 1, 2016, AIRLINE has selected (and the order of selection has been based on each Signatory Airline’s market share at the Airport based on calendar year 2014 data, with the Signatory Airline with the largest market share selecting its premises first and continuing down the list in order of market share until all Signatory Airlines have selected their premises) the Preferential Use Premises that it would like to lease in the North Terminal Building upon North Terminal Occupancy, and NOAB has agreed to AIRLINE’S leasing such premises.

- (2) On or about June 1, 2016, or such other date as the AAAC determines after a MII vote, AIRLINE shall confirm to NOAB the Preferential Use Premises that it will lease upon North Terminal Occupancy (the "Deadline to Commit to Leased Space"), and the parties shall enter into a letter agreement confirming such Preferential Use Premises. Upon North Terminal Occupancy, Exhibits B, C and F shall be updated to reflect the Airline Premises in the North Terminal Building that AIRLINE shall lease from NOAB. The effective date of the change to the Airline Premises and Airline Rented Space shall be the date of North Terminal Occupancy, and, subject to the terms of Article 2.02(C) of the Agreement as amended, AIRLINE shall no longer be obligated to pay rent or other charges for any Airline Premises located at the South Terminal Building upon North Terminal Occupancy. AIRLINE shall, within thirty (30) days after North Terminal Occupancy, remove all of AIRLINE'S proprietary equipment, furniture and fixtures from the former Airline Premises located in the South Terminal Building, and any proprietary equipment, furniture and fixtures remaining after said date shall be deemed abandoned and may be disposed of by NOAB.
- (3) AIRLINE will be provided access to the North Terminal Building at least ninety (90) days prior to North Terminal Occupancy to install tenant finishes and proprietary equipment in time for activation of the North Terminal Building; provided, however, that in no event shall AIRLINE be obligated to commence rental payments for its use of the North Terminal Building unless and until it commences operations from the North Terminal Building.

7.) Amendment to Article 5 of the Agreement. Article 5 of the Agreement is hereby amended as follows:

- a. Section 5.05I of the Agreement is hereby deleted in its entirety and replaced with the following:

"5.05I MII will not be required for any Airport project(s) with Capital Expenditures totaling less than \$1.5 million in any one year; provided, however, that such Capital Expenditures do not exceed a total of \$5.0 million in Capital Expenditures for Airport projects over any five-year period."

- b. Section 5.05K of the Agreement is hereby deleted in its entirety and replaced with the following:

"5.05K The design and construction of the North Terminal Project as described in Section 1 of the Term Sheet and the Scope of the North Terminal Project included as Exhibit A to the Term Sheet; provided, however, that such

exception to MII approval is contingent on : (a) any changes to the Scope of the North Terminal Project or the Term Sheet and any increase in cost over the dollar amount set forth in Section 1a of the Term Sheet being subject to SC approval as contemplated in the Term Sheet; (b) NOAB maximizing the use of PFCs to off-set PFC eligible debt service and maximizing funding from the FAA, TSA and State of Louisiana for the North Terminal Project; and (c) the City of New Orleans funding or obtaining funding from third parties in the amount of \$25,000,000 to contribute to the cost of the roadways for the North Terminal Project, with no adverse effect on or increase in rates, charges and fees paid by the Air Transportation Companies.”

8.) Amendment to Article 8 of the Agreement.

- a. Article 8.05 of the Agreement is hereby deleted in its entirety and replaced with the following:

“8.05 General Purposes Account Requirements. The General Purposes Account Requirement as envisioned by Section 505(2)(h) of the Indenture is hereby established at the amount of \$6,000,000 for each of Fiscal Year 2016 and Fiscal Year 2017. Beginning with Fiscal Year 2018 and for each Fiscal Year thereafter during the Term, the General Purposes Account Requirement as envisioned by Section 505(2)(h) of the Indenture is established at the amount of \$3,000,000 per Fiscal Year. AIRLINE agrees that amounts remaining in the General Purposes Account at the end of each Fiscal Year, if any, shall be used for any lawful purpose permitted under the Indenture.

- b. Section 8.07 of the Agreement is hereby amended by inserting the following Section 8.07G immediately following Section 8.07F:

“NOAB covenants that NOAB will use good faith efforts to develop and share with the Air Transportation Companies a 10-year financial plan forecasting rentals, fees and charges and the average cost per enplanement (“CPE”). NOAB will use good faith efforts to target a CPE of no more than \$10.00 in any Fiscal Year during the Term, based on the assumption of a 2.1% compounded annual passenger growth during the Term.”

9.) Amendment to Exhibit G of the Agreement. Exhibit G to the Agreement (that was attached to the Term Sheet as Exhibit B), 2014-2019 Airport ACIP is amended as follows:

- a. “Airfield Rehabilitation Program – Rwy. 1-19” is hereby deleted and replaced with “Airfield Rehabilitation Program – RWY 2-20”;

- b. "Airfield Rehabilitation Program – Rwy. 10-28" is hereby deleted and replaced with "Airfield Rehabilitation Program – RWY 11-29";
- 10.) Amendment to the Term Sheet. AIRLINE and NOAB agree to amend certain provisions of the Term Sheet that was incorporated into the Agreement by the 2015 Amendment. The amendment to the Term Sheet is included in Attachment A, which is attached hereto and incorporated herein by reference.
- 11.) Construction Contract. AIRLINE understands and agrees that the execution of this Amendment evidences AIRLINE'S consent and approval of the terms of the contract for construction of the North Terminal Project between the Airport and the Hunt, Boh, Gibbs, Metro Joint Venture dated December 21, 2015. Written confirmation by the Chair of the AAAC on behalf of the Airlines indicating Signatory Airline consent and approval of the final terms of the construction contract with Hunt Boh Gibbs Metro Joint Venture is to be provided to the Airport before NOAB executes said construction contract.
- 12.) Consortiums. AIRLINE and the other Air Transportation Companies shall have the right, but not the obligation, to establish consortiums for the purposes described and on the terms set forth in Paragraphs l, m, n, o and q of Section 3 of the Term Sheet, as amended.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK -
SIGNATURE PAGES FOLLOW]**

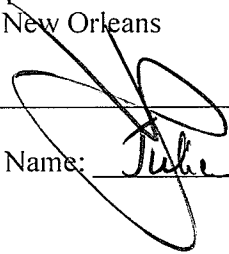
IN WITNESS WHEREOF the parties hereto have entered into this Amendment effective as of the Effective Date set forth hereinabove.

CITY OF NEW ORLEANS

By:  6/15/16
Mitchell J. Landrieu, Mayor Date

Form and Legality Approved:

Law Department
City of New Orleans

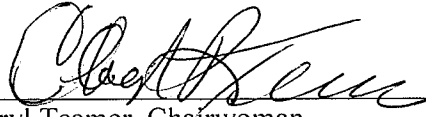
By:  _____ Date

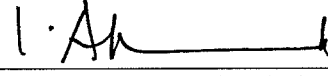
Printed Name: Julie I. Meyer

[NOAB SIGNATURES CONTAINED ON NEXT PAGE]

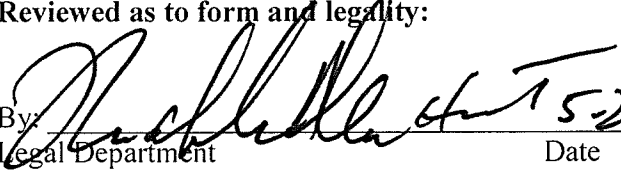
Resolution approving this contract and directing the Chairwoman and Director of Aviation to sign on behalf of the Board passed on December 21, 2015.

NEW ORLEANS AVIATION BOARD

By:  5/31/16
Cheryl Teamer, Chairwoman Date
New Orleans Aviation Board

By:  5/25/16
Iftikhar Ahmad, Director of Aviation Date
New Orleans Aviation Board

Reviewed as to form and legality:

By:  5-24-16
Legal Department Date
New Orleans Aviation Board

[AIRLINE SIGNATURE CONTAINED ON NEXT PAGE]

FEDERAL EXPRESS CORPORATION

By: Donald C. Colvin
Federal Express Corporation

03/28/2012
Date

Print Name: Donald C. Colvin

Title: V.P. PROPERTIES AND FACILITIES

Tax ID #: _____

Approved
Legal Department
3/18/2016
w/ [Signature]

**ATTACHMENT A
FIRST AMENDMENT TO
AIRLINE – AIRPORT USE AND LEASE AGREEMENT TERM SHEET
DECEMBER 2015**

NOAB and AIRLINE agree to amend the Airline-Airport Use and Lease Agreement Term Sheet as follows:

- 1.) Section 1 of the Term Sheet titled “North Terminal Project” is hereby amended as follows:

Paragraph a. Paragraph a is hereby deleted in its entirety and replaced with the following:

“The parties agree that the North Terminal Project cost will not exceed the amount of \$807 million without first obtaining Majority in Interest (MII) consent, as defined in the Airline - Airport Use and Lease Agreement (the cost of the North Terminal Project, the “North Terminal Project Cost”). The scope of the North Terminal Project is identified in Exhibit A, attached hereto and incorporated herein. The summary sources and uses for the North Terminal Project Cost as of December 2015 is attached hereto and incorporated herein as Attachment 1.”

Paragraph b. The following language of Section 1(b) is hereby deleted in its entirety:

“As part of the improvements described on Exhibit A, the following Airline requested operational elements will be included in the North Terminal Project if cost effective within the \$650 million budget:”

The following language is inserted in its place:

“As part of the improvements incorporated in the scope of the North Terminal Project, the following Airline requested operational elements will be included within the agreed upon North Terminal Project Cost, and NOAB shall cause the same to be constructed as part of the North Terminal Project (unless otherwise indicated below):”

Paragraph b.i. This paragraph is deleted in its entirety and replaced with the following:

“Curb Front - The curb front design should be adequate in terms of size, effective curb length, and functionality in order to meet the needs of the terminal as projected to 2028 (as forecasted for a 42 gate scenario), as shown through traffic flow analysis and simulation studies. Canopies to protect passengers from inclement weather shall also be included.”

Paragraph b.xi. This paragraph is deleted in its entirety and replaced with:

“Common Use Technology - The North Terminal Project does not include common use technology. The NOAB and the Airlines will jointly agree on any implementation of common use technology and appropriate funding outside of North Terminal Project Cost.”

Paragraph b.xii. This paragraph is deleted in its entirety and replaced with the following:

“Intentionally deleted.”

Paragraph b.xiii. This paragraph is deleted in its entirety and replaced with the following:

“At the Airlines’ request, the Airport will continue to engage the services of an Airline Technical Representative (ATR), of the Airline’s choice, to coordinate with the Airlines and to serve as a point of contact for design and buildout of the North Terminal Project, until the earlier of (1) the time at which majority of Signatory Airlines agree these services are no longer needed; or (2) the North Terminal Project is complete.

At the Airlines’ request, the Airport will engage the services of a Program Management Representative, as selected by and agreed upon by a majority of the Airlines, to be incorporated into and serve alongside the North Terminal Program Management Team as a representative of the Airlines and coordinate with the Steering Committee as requested. The Program Management Representative will be integrated with the North Terminal Program Management Team as Assistant Program Manager and provided access to all data and information, until the earlier of (1) the time at which majority of Signatory Airlines agree these services are no longer needed ; or (2) the North Terminal Project is complete.“

Paragraph b. xv. This paragraph is deleted in its entirety and replaced with the following:

“Tenant Finishes – Subject to the terms of this Section, Airlines will be responsible for non-infrastructure finishes needed for their exclusively used preferential use premises (e.g., ATO, BSO, and Ops. Space), and NOAB will be responsible for all finishes needed elsewhere in the Airport (e.g. hold rooms, corridors, etc.). NOAB will fund up to \$5 million for Airline tenant finishes described in the foregoing sentence that will be included in the North Terminal Project Cost, which will be apportioned among all Signatory Airlines based on an allocation as determined by an MII vote of the Signatory Airlines. Signatory Airlines are eligible for a portion of and to vote on the \$5 million fund if such airline is a Signatory Airline by the Deadline to Commit to Leased Space. If a Non-Signatory Airline becomes a Signatory Airline after the Deadline to Commit

to Leased Space the Airport shall allocate funds to that new Signatory Airline applying the same allocation formula as determined by the MII vote and applied to the Signatory Airlines, as noted above. For Non-Signatory Airlines, it is agreed that a fair and reasonable allowance for operational space (separate and distinct from the \$5 million fund allocated to the Signatory Airlines), as determined by an MII vote, will be provided by the Airport that will be based on a formula allocation similar to what is provided to the Signatory Airlines. Such allowance will be available for all Non-Signatory Airlines for similar airline operational space (e.g., ATO, BSO, and Ops. Space) and be paid for by the Airport. The allocation of funds by the Airport pursuant to this paragraph shall not be subject to the MII provisions of the Use and Lease Agreement. The Airline Technical Representative will work with each individual Airline to complete the space needed for such Airline's operations."

Paragraph b. xvii is added, which shall read as follows:

"The ongoing review and implementation process for the North Terminal Project will involve a collaborative effort between the parties. In order to represent the Signatory Airlines throughout the North Terminal Project, a Steering Committee ("SC") will be formed. The SC will be formed within 30 days of the execution of the New Agreement (or an extension of the existing Agreement), if not earlier, and will be co-chaired by the Chair of the MSY AAAC and the Airport Director, and will have two (2) additional Signatory Airlines, and the Chief Operating Officer of the Airport as members. In order to maintain continuity through the review process, the membership of the SC and the Airline acting as chairperson will not change unless an Airline voluntarily withdraws from the SC or an MII of the Signatory Airlines (as such MII is determined under the Airline-Airport Use and Lease Agreement) changes the SC membership. The Airline membership of the Steering Committee is attached as Attachment 2 to this Term Sheet. The parties can amend Attachment 2 through mutual agreement and without Amendment to the Lease or this Amended Term Sheet. The SC will: 1) provide general oversight to the Program Management Team ("PMT"); 2) meet on a regular basis no less than once monthly and additionally as needed, to be determined by the Chairpersons, in order to review the process of the North Terminal Project with respect to scope, budget and financial plan; 3) review a monthly/quarterly schedule and cost report produced by the PMT and Program Manager ("PM") and will authorize distribution of the report to the Airport and the Signatory Airlines; 4) vote on change orders that result in an increase to the project cost of \$10,000.00 or more or result in a change to scope that has an operational or material impact to airline operations, and 5) review and work to resolve issues in order to maintain forward progress in achieving the completion of the North Terminal Project.

All change orders will require “yes” votes from both Chairpersons of the SC. The Airline Chairman will vote as determined by a simple majority of the three representative airlines, counted as one of the two votes required to approve the change order. The Airport Chairman will have one vote. The Airline Chairman will cast the first vote and advise the Airport Chairman of the Airlines’ decision. In the event there is a disagreement between the two Chairpersons, the Airport may proceed so long as the Airline rates and charges will not be adversely affected as a result of the decision taken by the Airport Director on the specific issue, and it will not require any increase in airline-supported general airport revenue bonds. For change orders requiring an immediate decision in order to preserve the timeline to the DBO, the Chairpersons will have 1 business day to reach a decision, which will not require a majority vote of the airline representatives, after which time the decision will reside with the Airport Director.

Notwithstanding any terms and conditions in the Agreement or Term Sheets as amended, the SC shall not knowingly and intentionally take any action(s) that: (1) will violate the NOAB’s federal grant assurances, FAA rules and regulations, or any obligations or assurances associated with any funds used for the North Terminal Program; (2) will result in the NOAB breaching any agreement with third parties entered into before the date of this Amended Term Sheet of which the SC has knowledge; or (3) will violate any federal, state, or local law. Further, the SC shall not intentionally take any action that would result increasing the overall liability of the Airport without the Airport’s affirmative consent.

Paragraph b. xviii is added, which shall read as follows:

The baggage handling system (BHS) will be substantially complete and tested no later than 90 days prior to North Terminal Occupancy. In the event that this is not done, or should the Airlines feel that the BHS is not operationally ready, the North Terminal Occupancy will be postponed until which time the BHS is deemed operationally reliable by the Airlines. Operational readiness will be determined by a unanimous vote of the three representative Airlines on the SC.

2.) Section 2 of the Term Sheet titled “Agreement General Terms” is amended as follows:

The introductory paragraph is deleted in its entirety and replaced with the following:

“Notwithstanding the fact that the parties have entered into an amendment to the Airline-Airport Use and Lease Agreement, the parties agree to continue negotiating, in good faith, a new Airport-Use and Lease Agreement (the “New Agreement”) that provides, among other mutually agreeable terms, the following:”

Paragraph b. This paragraph is deleted in its entirety and replaced with the following:

“The term of the agreement will commence as agreed and terminate the date that is five (5) years after North Terminal Occupancy, with reservation of right for term extension if agreed to by Airport and Airlines.”

Paragraph f. This paragraph is deleted in its entirety and replaced with the following:

“The New Agreement will provide a MII provision, but in no case shall MII rights interfere with the NOAB’s Competition Plan. The parties agree that such MII provision will be consistent with the Federal Aviation Administration’s intent and guidance provided to the Airport in connection with the approval of the NOAB’s Competition Plan. MII will not be required for any NOAB project less than \$1.5 million in any one year and not to exceed a total of \$5.0 million for projects over any five year period.”

3.) Section 3 of the Term Sheet titled “Agreement Financial Terms” is amended as follows:

The introductory paragraph is deleted in its entirety and replaced with the following:

“The parties agree in principal to the following terms and conditions to be negotiated in good faith to be included in the New Agreement:”

Paragraph a. This paragraph is deleted in its entirety and replaced with the following:

“As a good faith effort, the NOAB will develop and share with the Airlines a 10-year financial plan forecasting rates and charges and Cost per Enplanement. The NOAB will target a Cost per Enplanement of no more than \$10.00 in any given year through the term of the New Agreement based on the assumption of 2.1% compounded annual passenger growth during the New Agreement period.”

Paragraph k. This paragraph is deleted in its entirety and replaced with the following:

“The Airlines agree to deposits in the General Purposes Account of \$6,000,000 for each of Fiscal Year 2016 and Fiscal Year 2017. Beginning with Fiscal Year 2018 and for each Fiscal Year thereafter during the Term, the General Purposes Account Requirement as envisioned by Section 505(2)(h) of the Indenture will be an amount of \$3,000,000 per Fiscal Year.”

Paragraph p. This paragraph is added with the following:

“The City of New Orleans will fund or obtain funding from third parties in the amount of \$25,000,000 to contribute to the cost of the roadways for the North Terminal Project, with no adverse effect on Airline Rates and Charges.”

Paragraph q. This paragraph is added with the following:

“If a consortium is established (exclusive of a fuel consortium), the parties will negotiate in good faith on developing a mutually agreeable definition of cost per enplanement.”

- 4.) A new Section 4 of the Term Sheet titled “Construction Contract” is hereby inserted immediately following Section 3 as follows:

4) The Airlines understand and agree that the execution of this First Amendment to the Airline-Airport Use and Lease Agreement Term Sheet evidences Airlines’ consent and approval of the terms of the contract for construction of the North Terminal Project between the Airport and the Hunt, Boh, Gibbs, Metro Joint Venture substantially in the form attached hereto as Attachment 3. Written confirmation by the Chair of the AAAC on behalf of the Airlines indicating Airlines’ consent and approval of the final terms of the construction contract with Hunt Boh Gibbs Metro Joint Venture is to be provided to the Airport before NOAB executes said construction contract.

[REMAINDER OF THIS PAGE INTENTIONALLY BLANK]

**Amended Term Sheet
Attachment 1
Sources and Uses**

[SEE ATTACHED]

**Amended Term Sheet
Attachment 2**

Signatory Airline Membership of the Steering Committee:

American Airlines

Southwest Airlines

Delta Air Lines, Inc. (Chairman of AAAC)

**Amended Term Sheet
Attachment 3
Construction Contract**

[SEE ATTACHED]