K18-1112

FOURTH 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 Fourth Amendment (the "2018 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 LATOYA CANTRELL 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, 2018 (the "Effective Date")

WITNESSETH:

WHEREAS, NOAB is charged with the custody, administration, operation, and management of 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"), (2) a second amendment to the Original Agreement, with an effective date of January 1, 2015 (the "2015 Amendment"), and (3) a third amendment to the Original Agreement, with an effective date of

January 1, 2016 (the "2016 Amendment") (the Original Agreement, and 2014, 2015, and 2016 Amendments, collectively the "Agreement") that provided for, among other things, extension of the Term of the Agreement through December 31, 2023 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 amended by the 2016 Amendment; and

WHEREAS, the parties hereto desire to amend the Agreement to modify certain provisions of the Agreement and Term Sheet; and

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

1.) <u>Amendment to Article 1 of the Agreement.</u>

a. Article 1.14 is hereby deleted in its entirety as of the Effective Date and replaced with the following:

"<u>Amortization Requirement</u> shall mean the recovery or repayment of capital costs as principal and interest, in substantially equal annual installments over a fixed term or a Capital Expenditure which is not debt financed or financed by a means which is otherwise recovered from rentals, fees, and charges. The amortization charge for any such expenditure shall be computed using NOAB's Interest Cost at the time of expenditure, and be fixed for the economic life for such Capital Expenditure, determined in accordance with Generally Accepted Accounting Principles, as the term for such amortization charges. Amortization Requirement for the NOAB's capital project costs incurred since FY 2009 and for the FY 2014 – FY 2019 Airport Capital Improvement Program as set forth in Article 5.05B and Exhibit G and such Capital Expenditure(s) approved by the Signatory Airlines pursuant to a MII as set forth in Articles 5.03, 5.04, and 5.05 and with regard to the North Terminal Project, as approved by the Steering Committee after the implementation of such Committee, will be included in the rentals, fees, and charges for the Air Transportation Companies upon Substantial Completion of such Capital Expenditure(s)."

b. Article 1.36 is hereby deleted in its entirety as of May 23, 2018 and replaced with the following:

"<u>Equipment and Capital Outlays Allowance</u> ("ECOA") shall mean the amount of $1.0 million each Fiscal Year for the purchase of equipment, rolling stock, or other Capital Expenditures and assigned fifty percent (50%) to the Airfield Area Cost and Revenue Center and fifty percent (50%) to the Terminal Building and Area Cost and Revenue Center. For the 2018 Fiscal Year only, the ECOA shall be $1.5 million of which up to no more than $500,000 shall be used in order to fund the equipment, rolling stock, or other and capital outlays for the O&M Consortium ("OMC") formation and operations as deemed reasonably necessary by the OMC."

a. Article 1.45 is hereby deleted in its entirety and replaced with the following:

"Indenture shall mean the General Revenue Bond Trust Indenture dated as of February 1, 2009 (the "**General Indenture**") by and among the New Orleans Aviation Board as issuer (the "**Issuer**") on behalf of the City of New Orleans (the "**City**"), and The Bank of New York Mellon Trust Company, N.A. as trustee (the "**Trustee**") as amended and supplemented by (i) the First Supplemental Trust Indenture dated as of February 1, 2009 (the "**First Supplemental Indenture**") by and among the same parties, (ii) the Second Supplemental Trust Indenture dated as of March 1, 2015 (the "**Second Supplemental Indenture**") by and among the same parties, (iii) the Third Supplemental Trust Indenture dated as of May 1, 2017 (the "**Third Supplemental Indenture**") by and among the same parties, and (iv) the Fourth Supplemental Trust Indenture dated as of October 1, 2017 (the "**Fourth Supplemental Indenture**") by and among the same parties, and (v) as may be further amended and supplemented by another Supplemental Trust Indenture."

b. Article 1.78 is hereby deleted in its entirety and replaced with the following:

"Signatory Airline' shall mean an Air Transportation Company that provides passenger service and leases at least 2,500 square feet of terminal space at the Airport, schedules at least four daily departures (of its own or through its Affiliated Airline Company), and has executed an agreement with NOAB substantially similar to this Agreement. An all-cargo Air Transportation Company shall be eligible to qualify as a Signatory Airline if it has scheduled activity equivalent to at least 20,000,000 pounds of Maximum Gross Landed Weight annually for the term of this Agreement, and it leases apron and/or cargo-handling facilities on the Airport from NOAB deemed sufficient by the Aviation Director to support its operation for a term at least equal to the Term of this Agreement to the extent such operations and support space are available, and has executed an agreement with NOAB substantially similar to this Agreement."

c. A new Article 1.78 (a) is added:

"South Terminal Building" shall mean the Terminal Building (or a portion thereof) and related facilities at the Airport's South Terminal as illustrated on Exhibit A-South Terminal in the Original Agreement as may be amended from time to time."

d. A new Article 1.79 (a) is added:

"Steering Committee or (SC) shall mean a committee which was formed for the review and approval of the North Terminal Project consisting of the Airport Director (who will act as co-Chair), Chief Operating Officer of the NOAB, the Chair of the MSY AAAC (who will act as co-Chair) and two (2) additional representatives of the Signatory Airlines as members in accordance with Article 1(b) (xvii) of the Amended and Restated Term Sheet."

e. A new article 1.82 (a) is added:

"Tenant Improvement Allowance Program Fund shall mean the lump sum amount which is provided by the NOAB and allocated to all of the Airlines for eligible buildout costs for tenant finishes of Airline Premises in the New Terminal in accordance with the Term Sheet's Attachment 6, as may be restated and amended from time to time. The Tenant Improvement Allowance Program Fund is comprised of two sources of funding. $11,000,000 is included in the total project cost for the New Terminal. The excess over the $11,000,000 for eligible tenant finishes, which as of this date is estimated to be $2,165,507 as shown on Exhibit A to Attachment 6, will be advanced by the NOAB out of the General Purposes Account and replenished by the Terminal Building and Area Cost and Revenue Center of the ECOA at $500,000 incrementally annually until the entire amount is reimbursed to the General Purposes Account."

2.) Amendment to Article 2 of the Agreement.

Article 2 of the Agreement is hereby deleted in its entirety and replaced with the following:

"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 and May 1, 2017 GARBS, under the Indenture, will be depleted by February 2019 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."

3.) Amendment to Article 4 of the Agreement.

Article 4.01(E) (2) of the Agreement is hereby deleted in its entirety and replaced with the following:

"4.01(E)(2) On February 6, 2018 AIRLINE confirmed to NOAB the Preferential Use Premises that it will lease upon North Terminal Occupancy (the "Deadline to Commit to Leased Space") as shown on Exhibit A to Attachment 6, which is attached hereto, entitled Tenant Airline Build-out – HGBM Estimate dated May 23, 2018. Upon the North Terminal Occupancy, Exhibits B, C and F shall be updated to reflect the Airline Premises in the Terminal Building that AIRLINE shall lease from NOAB without the necessity of Board approval or an amendment to this Agreement. 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."

4.) Amendment to Article 5 of the Agreement.

a. Article 5 of the Agreement is hereby amended to delete Section 5.05 I in its entirety and replace it with the following:

"5.05(I) MII will not be required for any Airport project(s) with Capital Expenditures totaling less than $1.5 million in any one year or Capital Expenditures or Reimbursements to Accounts related to the Tenant Improvement Allowance Program; 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 and any monies related to the Tenant Improvement Allowance Program in accordance with Section 5.05(M) shall not be included in the $5.0 million total."

b. Article 5 of the Agreement is hereby amended to delete Section 5.05(K) in its entirety and replace it with the following:

"5.05(K) 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 that exceed or are expected to exceed 110% of the dollar amount set forth in Section 1a of the Term Sheet, as such may be amended from time to time; (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."

c. Article 5 of the Agreement is hereby amended to add the following Section 5.05(M):

"5.05(M) MII will not be required for the reimbursement of any monies to the General Purposes Account from the ECOA in connection with the Tenant Improvement Allowance Program Fund.

d. Article 5 of the Agreement is hereby amended by inserting the following Section 5.06:

"5.06 Authority to Enter into Reimbursement Agreement(s). The NOAB has the authority to enter into and execute agreement(s) with AIRLINE and other Affiliated Airline Companies that may allow for NOAB-approved improvements on Airport property that otherwise comply with the terms and conditions hereof to be made either:

1. by AIRLINE or such other Affiliated Airline Company in exchange for a credit or setoff against rentals, fees, and charges owed by AIRLINE or such other Air Transportation Company as further detailed in such reimbursement agreement; or

2. by the Airport with the cost thereof to be paid by AIRLINE or such other Affiliated Airline Company as further detailed in such reimbursement agreement.

This provision shall not grant any rights to AIRLINE or such other Affiliated Airline Company or create any obligation of the NOAB to make said improvements."

5.) Amendment to Article 6 of the Agreement.

Article 6.02(D) is hereby deleted in its entirety and replaced with the following:

"6.02(D) Upon the North Terminal Occupancy, the OMC shall maintain the following:

IN THE NORTH TERMINAL BUILDING

(i) thirty-five (35) loading bridges owned by NOAB;
(ii) thirty-five (35) preconditioned air units owned by NOAB;
(iii) thirty-five (35) associated 400 Hertz ground power system units owned by NOAB;
(iv) thirty-five (35) potable water cabinets owned by NOAB;
(v) Inbound and Outbound Baggage Handling System (BHS) owned by NOAB including, but not limited to: six (6) new ticket counter subsystems, two (2) new curbside subsystems, two (2) new transport mainlines, seven (7) new

baggage make-up units, one (1) new passenger claim devices located in the Federal Inspection Services area for international flights, and six (6) new claim devices for domestic flights;

(vi) one blue water dump station owned by NOAB;

(vii) skycap equipment owned by AIRLINE; and

(viii) any other systems that may be acquired by NOAB in the future and the responsibility of maintenance assigned to the OMC so long as the OMC remains in effect and performing such obligations.

IN THE SOUTH TERMINAL BUILDING

(i) three (3) existing inbound baggage claim units owned by NOAB on an as needed basis;

(ii) three (3) loading bridges owned by NOAB; and

(iii) three (3) associated 400 Hertz ground power system units owned by NOAB.

So long as the OMC is performing any maintenance obligations, the costs and expenses of such obligations shall not be included within the rates and charges payable hereunder. It is understood that the OMC will invoice the NOAB for work performed on equipment in the South Terminal Building per a schedule of fees to be created by the OMC and agreed to by the NOAB."

6.) Amendment to Article 8 of the Agreement.

a. Article 8.05 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 2017. The General Purposes Account requirement as envisioned by Section 505(2) (h) of the Indenture is hereby established at the amount of $7,800,000 for each of Fiscal Year 2018. Beginning with Fiscal Year 2019 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.

Of the $7.8 million to the General Purposes Account for Fiscal Year 2018, up to $1.3 million is dedicated solely to fund the build-out and construction costs of the OMC and $500,000 is dedicated solely to the mobilization and start-up capitalization of the OMC (collectively referred to herein as "OMC funding"); Any unused portions of the $1.8 million OMC funding shall be returned to the Signatory Airlines, via a credit memo in proportion to the amount each Signatory Airline contributed to the OMC funding. The build-out and construction costs, projected at $1,300,000 will be amortized into the Signatory Airline rates and charges over a five-year period starting in Fiscal Year 2018. The $500,000 in General Purpose Account funds dedicated to the OMC mobilization and start-up capitalization will be assigned fifty percent (50%) to the Airfield Area Cost and Revenue Center and fifty percent (50%) to the Terminal Building and Area Cost and Revenue Center for Fiscal Year 2018. AIRLINE agrees that other than the $1.8M designated for the OMC, amounts remaining in the General Purpose Account at the end of each Fiscal Year, if any, shall be used for any lawful purpose permitted under the Indenture.

The NOAB will use an amount from the General Purposes Account calculated as the overage of the eligible costs of the Tenant Improvement Allowance Program Fund in excess of $11,000,000 to pay for said eligible tenant finishes as shown on Exhibit A to Attachment 6 of the Term Sheet which shall be replenished by the Terminal Building and Area Cost and Revenue Center of the ECOA at $500,000 incrementally annually until the entire amount is reimbursed to the General Purposes Account."

b. Article 8.07G is hereby deleted in its entirety and replaced with the following:

"(G) NOAB covenants that NOAB used good faith efforts in developing and sharing with the Air Transportation Companies a 10-year financial plan from January 1, 2016 forecasting rentals, fees and charges and the average cost per enplanement ("CPE"). NOAB used 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."

7.) Amended and Restated Term Sheet. AIRLINE and NOAB agree to amend certain provisions of the Term Sheet that was incorporated into the Agreement by the 2015 Amendment and amended by the 2016 Amendment into an Amended and Restated Term Sheet which is attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF the parties hereto have entered into this 2018 Amendment effective as of the Effective Date set forth hereinabove.

CITY OF NEW ORLEANS

By: ______________________ 3-14-19
LATOYA CANTRELL, MAYOR Date

Form and Legality Approved:
Law Department
City of New Orleans

By: Tracy Tyler
Date

Printed Name: Tracy Tyler

[NOAB SIGNATURES CONTAINED ON NEXT PAGE]

Resolution approving this contract and directing the Chairwoman and Director of Aviation to sign on behalf of the NOAB passed on September 20, 2018.

NEW ORLEANS AVIATION BOARD

By: Cheryl R Teamer 1-28-19
Cheryl Teamer, Chairwoman Date
New Orleans Aviation Board

By: Kevin Dolliole 1-16-19
Kevin Dolliole, Director of Aviation Date
New Orleans Aviation Board

Reviewed as to form and legality:

By: 1/15/2019
Legal Department Date
New Orleans Aviation Board

[AIRLINE SIGNATURE CONTAINED ON NEXT PAGE]

FEDERAL EXPRESS CORPORATION

By: Wiley Johnson Jr.
FEDERAL EXPRESS CORPORATION Date 2-26-19

Print Name: Wiley Johnson, Jr.

Title: Managing Director

Tax ID #: ______________________

WP

JS 2/26/19

Approved
Legal Department
Awn 02-19-19
First Resubmittal

ATTACHMENT A
AIRLINE–AIRPORT USE AND LEASE AGREEMENT
AMENDED AND RESTATED TERM SHEET
MAY 23, 2018

WHEREAS, the parties hereto entered into the Original Airline-Airport Use and Lease Agreement Term Sheet in the 2015 (Fourth) Amendment (hereinafter "Original Term Sheet") which was modified by the 2016 (Fifth) Amendment (hereinafter " Amendment No. 1 to the Term Sheet") and which is modified again as an Amended and Restated Term Sheet effective May 23, 2018 as shown below.

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

1. North Terminal Project. The NOAB and Signatory Airlines (Airline(s)) agree in principal to the Airport's completion of the North Terminal Project. In general, the parties agree in good faith to the following:

   a. The parties agree that the North Terminal Project cost will not exceed 110% of the amount of $994 million without first either 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") or approval from the Steering Committee. The scope of the North Terminal Project is identified in Exhibit A-1, attached hereto and incorporated herein. The summary sources and uses for the North Terminal Project Cost as of the Effective Date is attached hereto and incorporated herein as Attachment 3.
   b. 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):"

i. 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."

ii. Ticketing Lobby. The ticketing lobby will include sufficient lobby space as follows:

1. Depth should be sufficient in size to allow a two-step passenger check-in process.

2. Width should allow flexibility to accommodate future changes to self-tagging and new passenger processing methods technologies.

iii. Airline Offices. The office space for Airlines will be provided as follows:

1. Ticket Counter. Ticketing offices will be provided adjacent to the ticket counter. Office space located at the ticket counter is requested by Airlines in order to securely manage cash and to accommodate a safe.

2. Ramp Level. Lower-level Airline operations and ramp space will be provided for each Airline, to be finished or unfinished as each Airline may reasonably require.

3. Baggage Service Offices. Sufficient space should be provided for baggage offices in a location approximate to bag claim operations to allow for efficient Airline operations.

iv. Checked Bag Inline System (CBIS). Funding from the Transportation Security Administration (TSA) is planned to fund the CBIS. The Project will, to the extent TSA funding is received, include an appropriately sized (as projected to 2028) an operationally functional CBIS to meet forecast demand. Should the CBIS require expansion, sufficient area should be identified for inclusion in any future terminal expansion.

v. Security Checkpoint. The NOAB will provide space necessary for a single consolidated security checkpoint to allow efficiencies in TSA staffing, as well as providing sufficient space for various types of dedicated lanes (e.g., pre-Check, frequent flyer lanes). The security checkpoint area should be appropriately sized with area available to provide necessary queue space and devices to accommodate projected growth through 2028 (as forecasted for 42 gate scenario).

vi. Conveyors, Carousels, Loading Bridges. Conveyors, carousels, and 35 loading bridges will be included and all operational on opening of the terminal.

vii. Skycap Podiums. Skycap podiums (6 positions) with at least 2 centralized locations for baggage drop with connection to in-line CBIS bag system (if CBIS is funded by the TSA) will be included.

viii. Federal Inspection Service (FIS). The NOAB will provide space for FIS facilities sized to meet the forecast demand.

ix. Airline Club(s). The NOAB should identify available space for Airline(s) to be able to offer proprietary and/or common premium services or club facilities. Airline shall lease such space and be financially responsible for the build-out and fit-out of such space.

x. Concession Space. The NOAB will ensure the terminal contains adequate and economically feasible space for retail and food/beverage concession development and support a model that maximizes concession opportunities. The space will be identified by the NOAB and concessionaires will complete all build out at their own cost.

xi. Common Use Technology. The North Terminal Program includes Common Use Technology at gates and counters not leased as a Preferential Use Premises to a Signatory Airline. For any Preferential Use Premises that has not previously operated with Common Use Technology, the NOAB and the AIRLINE will jointly agree on any implementation of Common Use Technology in AIRLINE's Preferential Use Premises.

xii. Intentionally deleted

xiii. Airline Technical Representative. At the Airlines' request, the NOAB 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 build-out 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 NOAB 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.

xiv. Level of Service for Design. The NOAB should design for Level of Service "C" as indicated in IATA and/or ACRP 55 for all passenger processing functions at the Airport.

xv. Tenant Finishes. AIRLINE will be responsible for non-infrastructure finishes needed for its operational space that is either in excess of or ineligible under the Terminal Improvement Allowance Program Fund. The NOAB will fund up to $13,165,507.11 for the capital construction costs and City of Kenner Construction Permitting Costs for the tenant finishes as shown on Exhibit A to Attachment 6. Said amount may be amended by the Airport, at its sole discretion, for unforeseen construction costs. Originally, the NOAB agreed to fund up to $5M for tenant finishes which was then increased to $11M and then as of May 23, 2018 increased to an estimate of $13,165,507.11, which will be apportioned among all Airlines. The Airline Technical Representative will work with each individual airline to complete the space needed for such Airline's operations.

xvi. Airline Space and Access. Airlines will be provided access to the North Terminal approximately ninety (90) days prior to opening of the terminal to install tenant finishes and proprietary equipment.

xvii. 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 was formed 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 NOAB 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 and Restated Term Sheet. The SC will: I) 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 NOAB 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 Chairperson 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 NOAB Chairperson will have one vote. In the event there is a disagreement between the two Chairpersons, the NOAB 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 NORTH TERMINAL OCCUPANCY, 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.

xviii. 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 in 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 Original Term Sheet as modified by Amendment No. 1 to the Term Sheet, entitled "Agreement General Terms" is hereby deleted in its entirety since all terms and conditions of said Section have been met and included in previous Amendments.

3. Agreement Financial Terms. The parties agree in principal to the following terms and conditions:

a. Airline supported cost centers will be the airfield, apron, and the terminal.

b. The NOAB intends to apply general purposes account deposits to fund Deposit Rollover Coverage associated with new GARB debt issuance for the North Terminal Project.

c. The use of PFCs will be maximized to off-set PFC eligible debt service for the North Terminal Project.

d. The NOAB will use its best efforts to maximize funding from the FAA, TSA and State for the North Terminal Project.

e. The NOAB will use its best efforts to roll annual debt service coverage to meet the bond rate covenants.

f. The NOAB has accelerated rate-based amortization on the Southside terminal facilities. The total amount of accelerated amortization between 2014 and 2018 was estimated at $34 million. The amount collected from the accelerated amortization was applied to retire the GO Zone Loan. The NOAB retired the existing GO Zone Loan by the end of 2017. Currently, scheduled payments of the loan are included within the rate base at $3.4 million each year for the years 2014 through 2017. These scheduled payments would remain as airline-supported costs in the rates and charges, but would be supplemented by an estimated $8 million annual amount derived from accelerated amortization of the Southside terminal facilities to be included in the rate base.

g. Non-signatory airlines will be paying a reasonable premium over Signatory Airline rates and will not be included in the settlement process as shown on Exhibit F.

h. Airlines will be subject to a minimum leased space requirement. Joint-Use Space (bag claim, baggage makeup, tug roads) will be allocated a 10% of the cost of the facility to be divided equally among the Signatory Airlines using the facility and 90% on the basis of each Signatory Airline's percentage of total Signatory Airline enplaned passengers.

i. The Airlines have established a consortium (OMC) to maintain selected NOAB and AIRLINE equipment in accordance with Section 6.02 hereof.

j. The Airlines have established a consortium to construct and operate an efficient fueling facility to serve aircraft needs. Capital costs for this facility are outside of the scope of the North Terminal Project.

k. The NOAB will retain the right to be a member of any consortium.

l. The City of New Orleans will fund and/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 ("City of New Orleans Contribution").

To fulfill the City of New Orleans Contribution obligation, NOAB may, at NOAB's option, finance or otherwise borrow through one or more transactions the principal amount of $25,000,000 plus any associated financing costs on such terms, conditions, and amortization schedule as NOAB may deem appropriate ("City of New Orleans Contribution Debt") in a manner such that there will be no adverse effect on Airline Rates and Charges. If NOAB incurs any City of New Orleans Contribution Debt, NOAB will determine and maintain the amortization schedule for said debt, with the impact of payments on the principal updated monthly; the City of New Orleans may at any time and without penalty pay-off, accelerate, or otherwise fully satisfy the City of New Orleans Contribution Debt. NOAB reserves the right to satisfy the City of New Orleans Contribution Debt by other means, including but not limited to third-party grants to NOAB; Notwithstanding the foregoing, for the avoidance of doubt, in no event shall AIRLINE or any other Air Transportation Company be responsible for or be obligated to pay any obligation or liability related to the City of New Orleans Contribution Debt, including, without limitation, paying any amounts toward such debt through rates and charges.

If the Airline-Airport Use and Lease Agreement expires or otherwise terminates before all outstanding amounts due on the City of New Orleans Contribution Debt are paid in full, the City of New Orleans, NOAB, and Signatory Airlines will include (1) the City of New Orleans Contribution obligation and associated City of New Orleans Contribution Debt as a continued obligation of the City of New Orleans in the next Airline-Airport Use and Lease Agreement, and (2) the same payment terms as set forth in this Section 3, Paragraph l, of this Amended and Restated Term Sheet; should the Signatory Airlines, City of New Orleans, and NOAB not reach an agreement as to including the City of New Orleans Contribution and City of New Orleans Debt as an obligation of the City of New Orleans in the next Airline-Airport Use and Lease Agreement, the terms of this provision and specifically the City of New Orleans Contribution Debt shall survive the expiration of the Term and continue until the City of New Orleans Contribution Debt is satisfied in full. Notwithstanding the foregoing, for the avoidance of doubt, in no event shall AIRLINE or any other Air Transportation

Company be responsible for or be obligated to pay any obligation or liability related to the City of New Orleans Contribution Debt, including, without limitation, paying any amounts toward such debt through rates and charges.

4. The Airlines understand and agree that the execution of this Amended and Restated 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 5. 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 was provided to the Airport before NOAB executed said construction contract.

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ATTACHMENT 1 TO THE AIRLINE–AIRPORT USE AND LEASE AGREEMENT AMENDED AND RESTATED TERM SHEET

EXHIBIT A-1

SCOPE OF NORTH TERMINAL PROJECT

The North Terminal Project (Project) involves the development and construction of a new passenger terminal on the north side of Airport. Based on the current progression of design, the project generally includes, among other elements, the following:

1. Terminal of Approximately 972,000 sq. ft. of space, with three (3) Concourses, Thirty-Five (35) Airline Gates with Associated Jet-Bridges
2. Apron, Taxiways and Ten (10) Remote Overnight Aircraft Parking Spaces
3. Parking Garage of Approximately 2,000 Spaces
4. On-Airport Roadway Systems and Associated Ground Transportation Facilities
5. FAA Navigational Equipment (E.G., ASR-9, LLWAS, RTR) Relocations
6. Airfield Lighting Vault
7. Central Utility Plant

Related to the project, but to be funded and completed by third parties is the following component:

1. Fuel Hydrant System – New Orleans Fuel Facilities, Inc. a fuel consortium

ATTACHMENT 2 TO THE AIRLINE–AIRPORT USE AND LEASE AGREEMENT
AMENDED AND RESTATED TERM SHEET

EXHIBITB

2019-2023 AIRPORT ACIP

NEW ORLEANS AIRPORT CAPITAL PLAN 2019-2023(ACIP)
LONG TERM INFRASTRUCTURE DEVELOPMENT PLAN
TAXIWAY G EXTENSION (WEST)
TAXIWAY REHABILITATION - E&S
AIRFIELD REHABILITATION PROGRAM - RWY. 11-29
AIRFIELD REHABILITATION PROGRAM - RWY. 2-20
ALP UPDATE

ATTACHMENT 3 TO THE AIRLINE–AIRPORT USE AND LEASE AGREEMENT
AMENDED AND RESTATED TERM SHEET

SOURCES AND USES

North Terminal Program

Sources and Uses

SOURCES	($ Millions)	USES	($ Millions)
FAA Airport Improvement Program Grants	91.70	Terminal Building	431.28
TSA Grants	10.00	Airside and Apron	172.27
State Aviation Fund Grants	25.19	Site Prep, Utilities, Infrastructure	67.09
Passenger Facility Charges (PFC)	36.56	Parking Structure/ Surface	36.23
General Airport Revenue Bonds (2015) ($298.6M are PFC backed)	486.09	Roadways	62.33
General Airport Revenue Bonds (New debt required)	95.43	Southside Work	7.66
Customer Facility Charges	5.64	Permits, Fees and Contingencies	30.10
NOAB Capital Fund	31.35		
State Capital Funds	25.00		
TOTAL	**806.96**	**TOTAL**	**806.96**

ATTACHMENT 4 TO THE AIRLINE–AIRPORT USE AND LEASE AGREEMENT AMENDED AND RESTATED TERM SHEET

SIGNATORY AIRLINE MEMBERSHIP OF THE STEERING COMMITTEE

AMERICAN AIRLINES

SOUTHWEST AIRLINES

DELTA AIR LINES, INC. (CHARIPERSON OF THE AAAC)

ATTACHMENT 5 TO THE AIRLINE–AIRPORT USE AND LEASE AGREEMENT
AMENDED AND RESTATED TERM SHEET

CONSTRUCTION CONTRACT

A COPY OF WHICH HAS BEEN PROVIDED SEPARATELY

ATTACHMENT 6

TO
AIRLINE – AIRPORT USE AND LEASE AGREEMENT
AMENDED AND RESTATED TERM SHEET

MSY NORTH TERMINAL PROJECT
AIRLINE TENANT IMPROVEMENT ALLOWANCE

MSY North Terminal Project
Airline Tenant Improvement Allowance
January 22, 2018 as modified May 23, 2018

1. The $11M Airline Tenant Improvement Allowance amount was determined by the Signatory Airlines and agreed to in the October 2016 MII vote. The basis of the $11M amount was a per-square-foot calculation done by the Airline Technical Representative (currently J.A. Watts or "JWI") for all current airlines. In fulfillment of the NOAB's obligation to pay for the forced move of the airlines, the NOAB has agreed to fund the excess of the eligible Tenant Improvement Allowance amount as of May 23, 2018 in accordance with Exhibit A to Attachment 6 which is calculated at $2,165,507. The NOAB has agreed that the amount may be increased, in its sole discretion, for increased costs due to unforeseen conditions.
2. The leased square footage per airline was calculated using the analysis of JWI based upon Airlines' request and confirmed on May 23, 2018.
3. All work using funds from the Allowance must be started within six months after DBO currently estimated to be (August 7, 2019) or funds will be forfeited.
4. Costs incurred by NOAB in response to airline requested modifications for design and/or construction that are incurred after May 23, 2108 will be charged back to the applicable airline. NOAB will establish a separate LOA with JWI for on-call services separate from the NTP budget. Only each Airline's designated representative (to be coordinated by JWI) will be authorized to request design changes within each Airline's Leased Premises. Requests for changes should be submitted to JWI. JWI will provide a scope of work and cost estimate for review and approval by Airline's designated representative. JWI will notify NOAB upon Airline approval. Upon completion of design changes, JWI will invoice the NOAB, and then NOAB will invoice respective Airline in accordance with a Reimbursement Agreement as stated in Section 5.06.
5. The intent of the allowance program is that the allowance is to be used to offset the Airlines' cost to build out their tenant spaces and may only be used for construction costs for items that are fixed/permanent and potentially useful to the next tenant. Any items funded with the allowance will revert to the NOAB at the end of the lease term.

a. Items that are not eligible for the allowance include the following: movable furniture, design fixtures, branding/signage, computers, and other equipment which has no permanent connection to the building.

b. Items that are eligible for the allowance include the following: interior walls, doors (including hardware and door control systems), windows (including tinting and window treatment), finishes, bollards, conduit/cabling, IT racks/cabinets, mechanical, electrical, lighting, plumbing, fire protection/alarm, built-in millwork (cabinetry, shelves, and workstations), millwork inserts, oil/grease/sediment separators, wash racks, restroom fixtures, structural modifications to the PBB portals required to support GIDS monitors, additional costs for bag scale replacement beyond the Kennedy Electronics credit, and additional airline-provided hold room seats (identical specifications to existing hold room seats). Additionally, installation and termination costs and tax and shipping costs for approved items may be included in the allowance.

c. The NOAB reserves the right to review and deny any requested allowance that is inconsistent with the intent of the allowance program.

6. The Airlines must submit documentation itemizing their build out costs in an amount equal to or greater than their requested reimbursement to be eligible for the allowance.

   a. In the case of exceeding the approved allowance agreed between NOAB and the applicable airline and such work is approved by the applicable airline, NOAB will bill the applicable airline for remaining amount pursuant to a reimbursement agreement approved by the parties. There would be two separate cost estimates from the NOAB's Construction Manager at Risk, Hunt Boh Gibbs Metro, JV ("CMAR") – one for items approved under the allowance and one for items outside the allowance (if any). NOAB would pay CMAR directly for items approved under the allowance in an amount not to exceed the approved allowance allocation. Any overage authorized by airline would be billed by the NOAB to the airline. For CMAR work on any items outside the approved allowance, the scope of work and estimated costs should be predetermined and agreed upon by Airline and NOAB through coordination with JWI. Upon CMAR's completion of the additional scope of work required by Airline, NOAB will bill Airline directly.

   b. For work completed by a separate general contractor, two separate proposals should be submitted – one for the scope of work that falls within the allowance and one for the work that falls outside the allowance. The proposals should be submitted to the NOAB through JWI for pre-approval prior to construction.

7. The non-signatory package will be completed by the CMAR

EXHIBIT A TO ATTACHMENT 6 TO THE AMENDED AND RESTATED TERM SHEET

Louis Armstrong New Orleans International Airport

North Terminal Development Program

Tenant Airline Build-Out - HGBM Cost Estimate

May 23, 2018

	Airline Ticketing Office (ATO) Square Footage	*Airline Ramp Square Footage*	*Airline Ramp Square Footage 1 (Open Air Space)*	*Wash Rack Square Footage 1 (Open Air Space)*	*BMU Desk Operations Square Footage 1 (Open Air Space)*	*Baggage Service Office (BSO) Square Footage*	Total Tenant Airline Square Footage	Tenant Improvement Allowance2	HGBM Estimate 95% CDs	HGBM Estimate 100% CDs	City of Kenner Construction Permit Cost	Total Estimated Cost (HGBM + Permit)	Airline Cost Exceeding Allowance Allocations
American Airlines (AA)	1,891	5,565	0	0	6	491	7,953	$1,789,425.00	$2,101,761.00	$2,196,664.91	$12,618.43	$2,169,758.34	$380,333.34
Delta Air Lines (DL)	2,175	10,140	477	0	6	658	13,456	$3,027,656.25	$3,503,430.00	$3,612,311.49	$21,033.68	$3,593,820.17	$566,163.92
JetBlue (B6)	1,146	400	0	0	0	386	1,932	$434,700.00	$491,683.00	$508,833.20	$2,951.94	$503,880.14	$69,180.14
Southwest Airlines (WN)	2,561	7,027	0	0	0	823	10,411	$2,342,475.00	$2,808,014.00	$2,925,118.23	$16,883.01	$2,886,666.24	$544,191.24
Spirit Airlines (NK)	418	842	0	0	0	219	1,479	$332,775.00	$498,602.00	$515,344.91	$2,993.48	$510,433.39	$177,658.39
United Airlines (UA)	1,948	6,081	478	87	6	382	8,982	$2,020,837.50	$2,434,363.00	$2,572,174.55	$14,615.28	$2,547,264.83	$526,427.33
Total (Signatory Airlines)							44,213	$9,947,868.75	$11,837,853.00	$12,330,447.30	$71,095.82	$12,211,823.12	$2,263,954.37
Alaska Airlines	294	523	0	0	0	310	1,127	$253,575.00	$377,772.00	$390,827.43	$2,268.05	$385,190.48	$131,615.48
Allegiant	185	0	0	0	0	0	185	$41,625.00	$114,392.00	$145,506.96	$686.78	$130,383.74	$88,758.74
British Airways	106	339	0	0	0	0	445	$100,125.00	$100,774.00	$107,761.66	$605.02	$108,366.68	$8,241.68
Copa Airlines	560	0	0	0	0	0	560	$126,000.00	$229,302.00	$237,376.17	$1,376.67	$238,752.84	$112,752.84
Frontier Airlines	190	0	0	0	0	0	190	$42,750.00	$101,014.00	$106,193.79	$606.46	$90,990.25	$48,240.25
Total (Non-Signatory Airlines)							2,507	$564,075.00	$1,197,665.00	$987,666.01	$5,542.98	$953,683.99	$389,608.99
Total (All Airlines)							46,720	$10,511,943.75	$13,035,518.00	$13,318,113.31	$76,638.80	$13,165,507.11	$2,653,563.36

Notes:

1. Open air space SF is calculated at a 25% SF rate.
2. Tenant improvement allowance is calculated at a rate of $225/SF.
3. All tenant airline build-out scope is to be assumed as reimbursable under the build-out allowance, up to the value of the airlines' allocation.
4. City of Kenner permitting and plan review costs are divided per airline based on the HGBM 95% CD estimate.
5. Airlines are responsible for any costs exceeding the tenant improvement allowance.
6. Costs will be updated once HGBM has reconciled the 100 IFC drawings and provided a revised build-out cost estimate.