

In the opinions of Foley & Judell, L.L.P. and Auzenne & Associates, L.L.C., Co-Bond Counsel, assuming continuing compliance with certain covenants to satisfy the applicable requirements of the Internal Revenue Code of 1986, as amended ("Code") described herein, interest on the Bonds is excluded from gross income for federal income tax purposes except that no opinion is expressed as to the status of interest on any Bond for any period that a Bond is held by a "substantial user" of the facilities financed by such bonds or by a "related person" within the meaning of Section 147(a) of the Code. Interest on the Bonds is not a specific item of tax preference for purposes of the federal alternative minimum tax and will not be included in corporations' calculations of adjusted current earnings under the alternative minimum tax provisions of the Code. See "TAX EXEMPTION" and the proposed form of opinion of Co-Bond Counsel attached hereto as "APPENDIX E" for a description of certain other federal tax consequences of ownership of the Bonds. In addition, Co-Bond Counsel will render an opinion that interest on the Bonds is exempt from all taxation for state, parish, municipal or other purposes in the State of Louisiana.



Louis Armstrong New Orleans
International Airport

\$82,565,000

NEW ORLEANS AVIATION BOARD
Gulf Opportunity Zone CFC Revenue Refunding Bonds
(Consolidated Rental Car Project)
Series 2018 (Non-AMT)

Dated: Date of Delivery

Due: January 1, as shown on inside cover

The \$82,565,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Refunding Bonds (Consolidated Rental Car Project), Series 2018 (Non-AMT) ("Bonds") are being issued by the New Orleans Aviation Board ("Aviation Board") of the City of New Orleans ("City") pursuant to a Restated Customer Facility Charge Master Revenue Bond Trust Indenture ("Indenture") by and among the Aviation Board, the City of New Orleans ("City"), and The Bank of New York Mellon Trust Company, N.A. ("Trustee") to currently refund the outstanding New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project), Series 2009 A (Non-AMT) ("Series 2009 CFC Bonds") in accordance with the provisions of the Gulf Opportunity Zone Act of 2005 ("Go Zone Act") and IRS Notice 2012-3.



The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**

Pursuant to the GO Zone Act, the Series 2009 CFC Bonds were designated and issued as "Qualified Gulf Opportunity Zone Bonds" and the Bonds will retain that designation. See "TAX EXEMPTION – Qualified Gulf Opportunity Zone Bonds" herein.

Principal of the Bonds is payable upon maturity or redemption to the registered owners upon presentation and surrender of the Bonds at the principal corporate trust office of the Trustee. Interest on the Bonds is payable semiannually on January 1 and July 1 of each year (each an "Interest Payment Date"), commencing on January 1, 2019. The Bonds will be issued initially in book-entry only form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchases of the Bonds may be made only in book-entry form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC, as described herein. Principal, premium (if any) and interest on the Bonds will be payable by the Trustee to DTC, which will remit such payments in accordance with its normal procedures, as described herein. The Aviation Board reserves the right to terminate the use of the book-entry only system and issue fully registered certificated Bonds. See "THE BONDS" and "APPENDIX I – Book-Entry Only System" herein.

The Bonds will mature on January 1 in the years and in the principal amounts and will bear interest at the rates set forth on the inside cover hereof. The Bonds are subject to optional redemption prior to maturity. See "THE BONDS" herein.

The Bonds are limited and special obligations of the Aviation Board, payable solely from, and are secured by an assignment and a pledge of the Trust Estate (as defined in the Indenture) consisting of revenues and payments to be received and held under the Indenture, including proceeds derived by the Aviation Board from customer facility charges ("CFCs") imposed by the Aviation Board as authorized by the City upon the lessors of rental cars rented at the Louis Armstrong New Orleans International Airport. Other amounts in the form of contingent rent ("Contingent Rent") and other supplemental additional amounts ("Supplemental Facility Charges") and certain other monies and securities will secure the Bonds when the proceeds of CFCs ("CFC Revenues") for any applicable period are not sufficient to pay costs that are intended to be paid with or recovered from CFC Revenues.

THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE AVIATION BOARD AND ARE SECURED BY AND PAYABLE SOLELY FROM THE TRUST ESTATE OF THE INDENTURE CONSISTING OF REVENUES, INCLUDING THE CFC REVENUES, CONTINGENT RENT, AND SUPPLEMENTAL FACILITY CHARGES, FACILITIES LEASES, AND CERTAIN OTHER MONIES AND SECURITIES HELD BY THE TRUSTEE UNDER THE PROVISIONS OF THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE CITY OF NEW ORLEANS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER. NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE CITY OF NEW ORLEANS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE, OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE AVIATION BOARD (WHICH HAS NO TAXING POWER). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

THIS COVER PAGE CONTAINS INFORMATION FOR QUICK REFERENCE ONLY. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

The Bonds are offered when, as and if issued, subject to approval of legality by Foley & Judell, L.L.P., New Orleans, Louisiana, and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Breazeale, Sachse & Wilson, L.L.P., Baton Rouge, Louisiana, and Golden Holley-James LLP, Atlanta, Georgia, Co-Underwriters' Counsel. Certain legal matters will be passed upon for the Aviation Board by its Chief Legal Counsel and Deputy Director of Legal Affairs, Michele D. Allen-Hart, Esq. It is expected that the Bonds in definitive form will be available for delivery in New York, New York, on or about October 30, 2018, upon payment therefor.

Citigroup

**Backstrom McCarley
Berry & Co., L.L.C.**

BofA Merrill Lynch

Raymond James

**Siebert Cisneros
Shank & Co., L.L.C.**

MATURITY SCHEDULE**\$82,565,000****NEW ORLEANS AVIATION BOARD****Gulf Opportunity Zone CFC Revenue Refunding Bonds****(Consolidated Rental Car Project)****Series 2018 (Non-AMT)****BASE CUSIP†: 64763X**

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
2025	\$1,385,000	5.000%	2.890%	111.841	AK6
2026	3,765,000	5.000%	3.010%	112.742	AL4
2027	3,955,000	5.000%	3.130%	113.383	AM2
2028	4,150,000	5.000%	3.250%	113.775	AN0
2029	4,360,000	5.000%	3.350%	112.929 ^C	AP5
2030	4,575,000	5.000%	3.460%	112.007 ^C	AQ3
2031	4,810,000	5.000%	3.550%	111.259 ^C	AR1
2032	5,045,000	5.000%	3.630%	110.599 ^C	AS9
2033	5,300,000	5.000%	3.690%	110.107 ^C	AT7
2034	5,565,000	5.000%	3.740%	109.699 ^C	AU4
2035	5,840,000	5.000%	3.790%	109.293 ^C	AV2
2036	6,135,000	5.000%	3.820%	109.050 ^C	AW0
2037	6,440,000	5.000%	3.870%	108.647 ^C	AX8
2038	6,760,000	5.000%	3.910%	108.326 ^C	AY6
2039	7,100,000	4.000%	4.220%	97.027	AZ3
2040	7,380,000	4.125%	4.250%	98.261	BA7

^C Priced to the first par call date of January 1, 2028.

†CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of ABA by Global Markets Intelligence S&P, a division of McGraw-Hill Financial. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP data herein is provided for convenience of reference only. Neither the Aviation Board, the City, the Municipal Advisor nor the Underwriters or their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

NO DEALER, BROKER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED BY THE NEW ORLEANS AVIATION BOARD ("AVIATION BOARD"), THE CITY OF NEW ORLEANS ("CITY"), OR THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE.

ASSURED GUARANTY MUNICIPAL CORP. ("AGM") MAKES NO REPRESENTATION REGARDING THE BONDS OR THE ADVISABILITY OF INVESTING IN THE BONDS. IN ADDITION, AGM HAS NOT INDEPENDENTLY VERIFIED, MAKES NO REPRESENTATION REGARDING, AND DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT OR ANY INFORMATION OR DISCLOSURE CONTAINED HEREIN, OR OMITTED HEREFROM, OTHER THAN WITH RESPECT TO THE ACCURACY OF THE INFORMATION REGARDING AGM SUPPLIED BY AGM AND PRESENTED UNDER THE HEADING "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - BOND INSURANCE" AND "APPENDIX J - SPECIMEN MUNICIPAL BOND INSURANCE POLICY".

THE INFORMATION SET FORTH HEREIN CONCERNING THE DEPOSITORY TRUST COMPANY ("DTC") HAS BEEN FURNISHED BY DTC, AND NO REPRESENTATION IS MADE BY THE AVIATION BOARD, THE CITY, OR THE UNDERWRITERS AS TO THE COMPLETENESS OR ACCURACY OF SUCH INFORMATION.

ALL INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE AVIATION BOARD AND OTHER SOURCES WHICH ARE BELIEVED TO BE RELIABLE BUT IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY, AND IS NOT TO BE CONSTRUED AS A REPRESENTATION BY, THE UNDERWRITERS.

THE UNDERWRITERS HAVE REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITY TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITERS DO NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.

THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALES MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF ANY OF THE PARTIES DESCRIBED HEREIN SINCE THE DATE HEREOF. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE A CONTRACT BETWEEN ANY OF THE PARTIES DESCRIBED HEREIN AND ANY ONE OR MORE OF THE PURCHASERS OR REGISTERED OWNERS OF THE BONDS.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN JUDGMENT AS TO THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED, INCLUDING WITHOUT LIMITATION, THE RISK FACTORS CONTAINED IN THE SECTION ENTITLED "INVESTMENT CONSIDERATIONS" HEREIN.

BY ITS PURCHASE OF THE BONDS, AN INVESTOR IS ACKNOWLEDGING THAT IT HAS REVIEWED ALL THE INFORMATION IT DEEMS NECESSARY TO MAKE AN INFORMED DECISION, AND THAT IT IS NOT RELYING ON ANY REPRESENTATION OF THE UNDERWRITERS OR ANY OF THEIR OFFICERS, REPRESENTATIVES, AGENTS OR DIRECTORS IN REACHING ITS DECISION TO PURCHASE THE BONDS.

THE INVESTOR, BY ITS PURCHASE OF THE BONDS, ACKNOWLEDGES ITS CONSENT FOR THE UNDERWRITERS TO RELY UPON THE INVESTOR'S UNDERSTANDING OF AND AGREEMENT TO

THE PRECEDING PARAGRAPH AS SUCH RELATES TO THE DISCLOSURE AND FAIR DEALING OBLIGATIONS THAT MAY BE APPLICABLE TO THE UNDERWRITERS UNDER APPLICABLE SECURITIES LAWS AND REGULATIONS.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, NOR HAS THE INDENTURE BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATIONS OF THIS OFFICIAL STATEMENT AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING TRANSACTIONS, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND OTHERS AT PRICES OR YIELDS LOWER THAN THE PUBLIC OFFERING PRICES OR YIELDS STATED ON THE INSIDE COVER PAGE OF THIS OFFICIAL STATEMENT, AND SUCH PUBLIC OFFERING PRICES OR YIELDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE AVIATION BOARD WILL UNDERTAKE TO PROVIDE CONTINUING DISCLOSURE ON A PERIODIC BASIS FOR THE BENEFIT OF THE BONDHOLDERS PURSUANT TO THE REQUIREMENTS OF SECTION (b)(5)(i) OF SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12 (17. C.F.R. PART 240, § 140.15C2-12 (“RULE”). SEE “CONTINUING DISCLOSURE” HEREIN.

THE STATEMENTS CONTAINED IN THIS OFFICIAL STATEMENT, AND IN OTHER INFORMATION PROVIDED BY THE AVIATION BOARD THAT ARE NOT PURELY HISTORICAL, ARE FORWARD LOOKING STATEMENTS. ALL FORWARD LOOKING STATEMENTS INCLUDED IN THIS OFFICIAL STATEMENT ARE BASED ON INFORMATION AVAILABLE TO THE AVIATION BOARD ON THE DATE HEREOF, AND THE AVIATION BOARD DOES NOT ASSUME ANY OBLIGATION TO UPDATE ANY SUCH FORWARD LOOKING STATEMENTS. SUCH STATEMENTS ARE SUBJECT TO RISK AND UNCERTAINTIES THAT COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE CONTEMPLATED IN SUCH FORWARD LOOKING STATEMENTS. READERS ARE CAUTIONED NOT TO PLACE UNDUE RELIANCE ON THESE FORWARD LOOKING STATEMENTS, WHICH SPEAK ONLY AS OF THE DATE HEREOF OR ACCURACY OF SUCH INFORMATION. SEE “FORWARD LOOKING STATEMENTS” HEREIN.

THE FINAL OFFICIAL STATEMENT WILL BE PROVIDED TO PROSPECTIVE PURCHASERS EITHER IN BOUND FORM (“ORIGINAL BOUND FORMAT”) OR ELECTRONIC FORMAT ON THE FOLLOWING WEBSITE: WWW.MUNIOS.COM. THE FINAL OFFICIAL STATEMENT MAY BE RELIED UPON ONLY IF IT IS IN ITS ORIGINAL BOUND FORMAT OR AS PRINTED IN ITS ENTIRETY DIRECTLY FROM SUCH WEBSITE.

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OFFICIAL STATEMENT

\$82,565,000

**NEW ORLEANS AVIATION BOARD
Gulf Opportunity Zone CFC Revenue Refunding Bonds
(Consolidated Rental Car Project)
Series 2018 (Non-AMT)**

INTRODUCTORY STATEMENT

This Official Statement, including the cover page and all appendices, is provided to furnish certain information in connection with the issuance by the New Orleans Aviation Board ("*Aviation Board*") of the City of New Orleans ("*City*") of its \$82,565,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Refunding Bonds (Consolidated Rental Car Project), Series 2018 (Non-AMT) ("*Bonds*"). The Bank of New York Mellon Trust Company, N.A. will act as Trustee, Paying Agent and Bond Registrar for the Bonds ("*Trustee*") pursuant to a Restated Customer Facility Charge Master Revenue Bond Trust Indenture dated as of October 1, 2018 ("*Indenture*"), by and among the Aviation Board, the City, and the Trustee.

Proceeds of the Bonds are being issued by the Aviation Board in accordance with the provisions of the Gulf Opportunity Zone Act of 2005 ("*GO Zone Act*"), and IRS Notice 2012-3, to currently refund the outstanding Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project), Series 2009 A (Non-AMT) ("*Series 2009 CFC Bonds*"). The Series 2009 CFC Bonds were issued pursuant to the GO Zone Act to finance the costs of (i) a multi-story garage providing approximately 1,800 ready/return vehicle parking spaces and a customer service building, including customer service lobby, restrooms, customer service counter space, rental car company administrative office space, electrical utility room, and escalators and elevators allowing customer access to each level of the ready/return multi-story garage ("*CONRAC*") and (ii) rental car service areas ("*Service Centers*" and together with the CONRAC, the "*Consolidated Facility*") to be utilized by an On-Airport Rental Car Company ("*On-Airport Rental Car Company*") for the storage, refueling, cleaning, repair and maintenance of rental cars and On-Airport Rental Car Company employee parking.

A New Orleans Aviation Board Car Rental Concession Agreement ("*Concession Agreement*") between the City, acting through the Aviation Board, and an On-Airport Rental Car Company authorizes and obligates an On-Airport Rental Car Company to rent motor vehicles to the public at the Airport from the first scheduled arrival flight each day to the last scheduled arrival flight each day, three hundred sixty-five (365) days per year. The Concession Agreement also obligates an On-Airport Rental Car Company to occupy its allocated portion of the Consolidated Facility as specified in a Facilities and Ground Lease ("*Facilities Lease*"). The portion of the Consolidated Facility assigned to an On-Airport Rental Car Company pursuant to the Facilities Lease constitutes the On-Airport Rental Car Company's Exclusive Use Premises.

The Bonds are to be issued by the Aviation Board pursuant to resolutions adopted by the Aviation Board on June 21, 2018 and September 6, 2018, and approved by the Council of the City of New Orleans ("*Council*") by Resolution No. R-18-277 adopted on July 12, 2018 in accordance with the provisions of Part XIV of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, particularly La. R.S. 39:1034 (D) and (F), together with the other constitutional and statutory authority supplemental thereto, including without limitation, the provisions of Chapter 13 of Subtitle III of Title 39, including La. R.S. 39:1430 and the provisions of Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456, inclusive) of the Louisiana Revised Statutes of 1950, as amended ("*Act*").

THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE AVIATION BOARD AND ARE SECURED BY AND PAYABLE SOLELY FROM THE TRUST ESTATE OF THE INDENTURE CONSISTING OF REVENUES, INCLUDING THE CFC REVENUES, CONTINGENT RENT, AND SUPPLEMENTAL FACILITY CHARGES, AND CERTAIN OTHER MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE PROVISIONS OF THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE CITY OF NEW ORLEANS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER. NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE CITY OF NEW

ORLEANS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE, OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE AVIATION BOARD (WHICH HAS NO TAXING POWER).

See “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**” herein.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. This Official Statement, including the cover page, contain brief descriptions of, among other matters, the Bonds, the Indenture, the Concession Agreement, and the Facilities Lease. All references herein to the aforementioned documents are qualified in their entirety by reference to such documents included in the Appendices hereto.

This Official Statement will be available upon request prior to the issuance and sale of the Bonds and upon payment of reproduction costs and postage through the office of the Trustee, The Bank of New York Mellon Trust Company, N.A., One American Place, Suite 1510, 301 Main Street, Baton Rouge, Louisiana; telephone number: (225) 379-7353. Following the issuance and sale of the Bonds, this Official Statement and the other documents described herein may be obtained upon request and upon payment of reproduction costs and postage through the office of the Trustee. This Official Statement is also available online at www.emma.msrb.org.

All capitalized terms used, and not otherwise defined, in this Official Statement shall have the meanings ascribed thereto in the Indenture.

THE AVIATION BOARD

The Aviation Board is charged with the power and authority to administer, operate, and maintain airport facilities owned by the City, including the airport known as the Louis Armstrong New Orleans International Airport (“*Airport*”). The Aviation Board consists of nine members appointed by the Mayor of the City (“*Mayor*”) with the approval of the City Council for terms of five years. As a matter of custom, the Mayor appoints one member who is designated by the City of Kenner (the city in which the largest portion of the Airport is located) and another designated by the President of the Parish of St. Charles (the parish in which a small portion of the Airport is located).

The members of the Aviation Board as of the date of this Official Statement are as follows:

<u>Name</u>	<u>Term Expires</u>
Cheryl Teamer, Chairwoman	June 30, 2018*
J. Douglas Thornton, Vice Chairman	June 30, 2021
Ti Adelaide Martin	June 30, 2022
Michael Smith	June 30, 2022
Roger H. Ogden	June 30, 2022
Gary Smith, Sr.	June 30, 2022
Octave “Todd” J. Francis III	June 30, 2019
Lea Ruth Kullman	June 30, 2022
Joseph “Nick” Nicolosi, Jr.	June 30, 2022

*An Aviation Board member with an expired term continues to serve until he/she resigns or is replaced.

Brief biographies for the Aviation Board members follow:

Ms. Cheryl Teamer was first appointed to the Aviation Board in January 2012 and was elected Chairwoman in May 2013. Her current term expired on June 30, 2018. Ms. Teamer is the Senior Vice President of Public Affairs for New Orleans & Company, formerly known as the New Orleans Convention & Visitors Bureau.

Mr. J. Douglas Thornton serves as the Vice Chairman of the Aviation Board. He was first appointed to the Aviation Board on June 17, 2010 and his current term expires on June 30, 2021. Mr. Thornton serves as the

Chairman for the Aviation Board Construction Committee. Mr. Thornton is the Senior Vice President, SMG New Orleans (Louisiana Superdome).

Ms. Ti Adelaide Martin was first appointed to the Aviation Board in January 2007 and her current term expires on June 30, 2022. She serves as the Chairwoman for the Aviation Board Finance Committee. Ms. Martin is the co-owner of Commander's Palace and its family of restaurants. She is presently engaged in the day-to-day operations of Commander's Place and the other restaurants included within the Commander's family of restaurant-related businesses.

Mr. Michael Smith was first appointed to the Aviation Board in March 2013 and his current term expires on June 30, 2022. He serves as the Chairman for the Aviation Board Operations Committee. Mr. Smith is the current general manager at the New Orleans Hyatt Regency and previously served as the general manager at the Capitol Hill Hyatt Regency.

Mr. Roger H. Ogden was first appointed to the Aviation Board in August 2011 and his current term expires on June 30, 2022. Mr. Ogden is a real estate developer, civic leader and philanthropist. Mr. Ogden is co-founder of Stirling Properties where for 20 years he led the company as principal and CEO. He was the founding chairman of the Southeast Super Region Committee, a collaboration between GNO Inc. and the Baton Rouge Area Chamber, that united the Southeast Louisiana region in economic development initiatives. Additionally, Mr. Ogden serves on the boards of GNO Inc., Business Council of New Orleans, and BioDistrict New Orleans.

Mr. Gary Smith, Sr. serves as the St. Charles Parish Representative for the Aviation Board. He was first appointed on February 20, 2014 and his current term expires June 30, 2022. Mr. Smith is the President of the Magnolia Companies of Louisiana and has been involved in all aspects of this family-run business since childhood, including, but not limited to, construction/dredging, heavy equipment, marine industries, and real estate, all of which operate as separate entities under The Magnolia Companies umbrella.

Mr. Octave "Todd" J. Francis III, CIMA® was first appointed to the Aviation Board in June 2013 and his current term expires on June 30, 2019. Mr. Francis is a Managing Director, Senior Vice-President, Investments with Raymond James¹, an investment advisory, banking, consulting, and underwriting enterprise. His position with Raymond James started on March 21, 2018. Before joining Raymond James & Associates, Inc., Mr. Francis was the founding and Managing Principal of FFC Capital Markets, a regionally focused, South Louisiana headquartered investment advisory, banking, and consulting enterprise.

Ms. Lea Ruth Kullman was first appointed to the Aviation Board in July 2017 and her current term expires on June 30, 2022. Ms. Kullman is the owner of Kullman Consulting, which specializes in non-profit consulting and political fundraising.

Mr. Joseph "Nick" Nicolosi, Jr. was first appointed to the Aviation Board in June 2018 and his term expires on June 30, 2022. Mr. Nicolosi is retired from the City of Kenner having served 29 years that included service as a Kenner Police Detective followed by his appointments as Community Service Director; Code Enforcement Director; Public Works Director and Chief Administrative Officer. He also retired from Jefferson Parish having served as Administrative Assistant to Council District 4. He presently owns NBN Services LLC, a small business development service.

¹ Mr. Francis, as a board member of the Aviation Board, is governed by the Louisiana Governmental Code of Ethics ("Code of Ethics"), La. R.S. 42:1101 et seq. While Mr. Francis does not have "substantial economic interest" in Raymond James & Associates, Inc. as that term is defined in the Code of Ethics La. R.S. 42:1102 (21) that would prohibit his participation as an Aviation Board member in any Aviation Board transaction with Raymond James under La. R.S. 42:1112 (A) and (B), he elected to recuse himself pursuant to La. R.S. 42:1120.4 from any discussion or vote of the Aviation Board approving the Official Statement, approval and execution of the Bond Purchase Agreement, execution of the Indenture, and the execution of any other required documents in connection with the offerings described herein.

PLAN OF FUNDING

Proceeds of the Bonds will currently refund the Series 2009 CFC Bonds. Upon the deposit of proceeds of the Bonds and other funds at delivery of the Bonds into an escrow fund (“*Escrow Fund*”) created pursuant to an Escrow Deposit Agreement between the Aviation Board and the Trustee, as escrow agent, the Series 2009 CFC Bonds will be deemed to have been paid and will no longer be considered outstanding.

THE BONDS

General

The Bonds will be dated the date of delivery and will bear interest at the rates per annum and mature on January 1 in the years and in the principal amounts indicated on the inside cover page of this Official Statement. Interest on the Bonds will be payable each January 1 and July 1 (each an “*Interest Payment Date*”), commencing January 1, 2019.

The Bonds will be issued in fully registered form, without coupons, in denominations of \$5,000 or any integral multiple thereof, and will be numbered from No. R-1 upwards issued initially as one certificate per maturity as set forth on the inside cover page hereof. The Bonds will be registered in the name of Cede & Co., as nominee for the Depository Trust Company (“*DTC*”), New York, New York, which will act as the securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing the interest in the Bonds purchased. Purchases of the beneficial interests in the Bonds will be made in book-entry only form in authorized denominations by credit to participating broker-dealers and other institutions on the books of DTC as described herein. Any purchaser of beneficial interests in the Bonds must maintain an account with a broker or dealer who is or acts through a DTC Participant in order to receive payment of the principal of and interest on such Bonds. See “**APPENDIX I - Book-Entry Only System**” hereto.

The principal of the Bonds shall be payable to the registered owners thereof upon surrender of the Bonds at the principal corporate trust office of the Trustee except as otherwise provided in “**APPENDIX I - Book-Entry Only System.**” Interest on the Bonds, when due and payable, shall be paid by check or draft mailed by the Trustee on such due date to each person in whose name a Bond is registered, at the address appearing on the Bond Register maintained by the Trustee at the close of business on the applicable date (“*Record Date*”) irrespective of any transfer or exchange of the Bonds subsequent to such Record Date and prior to such Interest Payment Date, unless the Aviation Board shall default in payment of interest due on such Interest Payment Date. Owners of \$1,000,000 or more in aggregate principal amount of Bonds may request payment by wire transfer if such owners have requested such payment in writing to the Trustee, which request shall be made no later than the Record Date and shall include all relevant bank account information and shall otherwise be acceptable to the Trustee. Such notice shall be irrevocable until a new notice is delivered not later than a Record Date. In the event of any such default, such defaulted interest shall be payable on a payment date established by the Trustee to the persons in whose names the Bonds are registered at the close of business on a special record date for the payment of such defaulted interest established by notice mailed by the Trustee to the registered owners of the Bonds not less than fifteen (15) days preceding such special record date. Payment as aforesaid shall be made in such coin or currency of the United States of America as, at the respective times of payment, is legal tender for the payment of public and private debts.

The Bank of New York Mellon Trust Company, N.A. is serving as Trustee, Paying Agent and Bond Registrar under the Indenture and has a principal corporate trust office in Baton Rouge, Louisiana.

Optional Redemption

The Bonds maturing on and after January 1, 2029 are subject to redemption prior to maturity on or after January 1, 2028 as a whole or in part on any date. The maturity of said Bonds to be redeemed are to be designated by the Aviation Board and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount hereof, plus accrued interest to the redemption date.

Extraordinary Optional Redemption

The Bonds are subject to redemption in whole or in part, on any date, to the extent of insurance proceeds, condemnation awards, proceeds of conveyances in lieu of condemnation, and proceeds from disposition of property (or other similar amounts) received in respect of all or any portion of Consolidated Facility deposited in the Insurance and Condemnation Proceeds Fund and available for such purpose at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. All net Insurance Proceeds shall be applied in accordance with written instructions from the Aviation Board and the On-Airport Rental Car Companies under the Facilities Leases at the option of the Aviation Board either (i) to the Extraordinary Optional Redemption of the Bonds or (ii) to the restoration of all or a portion of the Consolidated Facility, except that any surplus Insurance Proceeds shall be applied to the Extraordinary Optional Redemption of the Bonds.

Redemption Denominations

Any Bonds to be redeemed in part shall be redeemed in any integral multiple of \$5,000. In the event any redemption would otherwise be in an amount that is not an integral multiple of \$5,000, the principal amount of Bonds to be redeemed shall be decreased to the next lower multiple of \$5,000.

Notice of Redemption

Not less than 30 nor more than 60 days prior to the date fixed for redemption, the Trustee shall cause a notice of any such redemption, signed by an authorized officer of the Trustee to be mailed, postage prepaid, to all Bondholders of record owning Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price, the place and manner of payment, and that from the date fixed for redemption interest will cease to accrue on the Bonds which are the subject of such notice, and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard.

Effect of Redemption

On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Bonds or portions thereof to be redeemed, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds. On such date, interest on the Bonds or portion of Bonds so called for redemption shall cease to accrue, such Bonds or portions of Bonds shall cease to be entitled to any benefit or security under the Indenture, and the owners of such Bonds or portions of Bonds shall not have rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Bonds for any unredeemed portions of Bonds.

In case part, but not all, of an outstanding Bond shall be selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond.

Bonds and portions thereof which have been duly called for redemption under the provisions of the Indenture, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to the Trustee, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding under the provisions of the Indenture and shall cease to be entitled to any security or benefit under the Indenture other than the right to receive payment from such moneys.

SOURCES AND USES OF FUNDS

The proceeds to be received from the sale of the Bonds, along with monies in existing trust funds, are to be applied as follows:

SOURCES

Par Amount of the Bonds	\$82,565,000.00
Original Issue Discount	(\$339,421.20)
Original Issue Premium	\$7,227,049.85
Debt Service Reserve Fund	\$7,748,331.34
Released Debt Service Funds	\$3,575,683.33
Other Released Fund Balances	\$521.87
Additional Issuer Funds	\$404,032.31
TOTAL SOURCES	<u>\$101,181,197.50</u>

USES

Refunding Escrow Deposits (includes SLGS purchases of \$91,826,999.00 plus \$0.03)	\$91,826,999.03
Debt Service Reserve Fund	\$7,693,175.00
Costs of Issuance (includes Underwriter's compensation of \$235,429.97)	\$1,229,914.47
Bond Insurance	\$431,109.00
TOTAL USES	<u>\$101,181,197.50</u>

In addition to the Funds and Accounts funded with proceeds from the Bonds, an amount equal to the Coverage Fund Requirement will be transferred from the existing Series 2009 CFC Coverage Fund into the Series 2018 CFC Coverage Fund upon delivery of the Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

Pledge of Indenture

The Bonds constitute limited and special obligations of the Aviation Board payable solely from and secured by the Trust Estate pledged and assigned to the Trustee by the Aviation Board under the Indenture. The Trust Estate includes Revenues consisting of CFC Revenues, Contingent Rent, if any, and any other Supplemental Facility Charges, if any, and the Pledged Funds.

Revenues will not be used by the On-Airport Rental Car Companies to pay the Manager for Operation and Maintenance Expenses ("O&M Expenses") for the Consolidated Facility or for Ground Rentals due pursuant to the Facilities Leases. If sufficient funds remain in the Surplus Fund; however, the On-Airport Rental Car Companies will be reimbursed for payment of O&M Expenses and Ground Rentals by Revenues in the Surplus Fund.

Pledged Funds means collectively monies in the Collection Account, the Construction Fund, the Released Debt Service Fund and the Debt Service Accounts and any Debt Service Reserve Accounts created therein, the Coverage Fund, and the Surplus Fund created under the Indenture which are pledged to and held for the benefit of the owners of the Bonds and are included within the Trust Estate.

The Trust Estate also includes all right, title and interest of the Aviation Board in and to the Facilities Leases and all amounts due pursuant thereto by the On-Airport Rental Car Companies to the Aviation Board, other than Ground Rentals, including the CFC Revenues, Contingent Rent, and other Supplemental Facility Charges when due.

The term "CFC Revenues" means all of the proceeds derived by the Aviation Board from the CFC, but not including any Contingent Rent or any other Supplemental Facility Charges. The term "CFC Revenues" also excludes deposits to and earnings on amounts held in the Administrative Costs Fund and the Maintenance Reserve Fund.

Bond Insurance

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue its Municipal Bond Insurance Policy for the Bonds (“Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as **APPENDIX J** to this Official Statement.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO”. AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On June 26, 2018, S&P announced it had affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On May 7, 2018, Moody’s announced it had affirmed AGM’s insurance financial strength rating of “A2” (stable outlook). AGM can give no assurance as to any further ratings action that Moody’s may take.

On January 23, 2018, KBRA announced it had affirmed AGM’s insurance financial strength rating of “AA+” (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2017.

Capitalization of AGM

At June 30, 2018:

- The policyholders’ surplus of AGM was approximately \$2,221 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. (“MAC”) (as described below) were approximately \$1,166 million. Such amount includes 100% of AGM’s contingency reserve and 60.7% of MAC’s contingency reserve.

- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$1,898 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the consolidated net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiary Assured Guaranty (Europe) plc ("*AGE*"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "*SEC*") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2017 (filed by AGL with the SEC on February 23, 2018);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 (filed by AGL with the SEC on May 4, 2018); and
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018 (filed by AGL with the SEC on August 2, 2018).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Bond Insurance – Assured Guaranty Municipal Corp.**" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Bond Insurance**".

CFC Resolution

Pursuant to a resolution adopted on July 16, 2008, as amended by a resolution adopted on October 15, 2008, the Aviation Board initially imposed a Customer Facility Charge (“CFC”) on rental car customers of rental car operators at the Airport of \$5.50 per Transaction Day commencing November 1, 2008 and thereafter amended and restated such resolution by the adoption on May 13, 2009 of an Amended and Restated CFC Resolution increasing the rate of CFC to \$6.20 per Transaction Day. On May 19, 2016, the Aviation Board adopted a resolution increasing the rate of CFC to \$7.95 per Transaction Day. The Indenture currently defines Transaction Day as follows:

“Transaction Day” shall mean a twenty-four (24) hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term as set forth in the CFC Resolution as amended from time to time. However, if the same rental car is rented to more than one customer within such continuous twenty-four (24) hour period, then each such rental shall be calculated as a “Transaction Day,” except that a partial day that is a grace period of no more than two (2) hours after the last 24-hour day booked shall not be considered a Transaction Day.

Rate Covenant

The Indenture establishes a “Rate Covenant” requiring the Aviation Board to collect Revenues that equal at least (i) CFC Costs and (ii) calculated separately, an amount equal to 135% of Aggregate Debt Service for the applicable Bond Year after taking into account the amounts in the Coverage Fund which do not exceed 25% of Maximum Annual Debt Service (A) on the last Business Day of the ninth (9th) calendar month of any Bond Year with respect to the next ensuing Bond Year and (B) at the time of any such calculation during the then current Bond Year upon the occurrence of (a) an unscheduled draw on the Coverage Fund or any Debt Service Reserve Account, (b) the actual monthly CFC Costs exceeding 10% or more the monthly projected CFC Costs, or (c) the monthly CFC Revenues actually received equaling 90% or less of the monthly amounts projected for such Bond Year for a period of not less than three (3) consecutive calendar months, the latest of which three (3) months is within the first eight (8) months of a single Bond Year.

The Director of Aviation or the Aviation Board is required by the provisions of the CFC Resolution to give notice at least 30 days prior to the end of each Bond Year to the Trustee and each of the On-Airport Rental Car Companies of (i) the per Transaction Day rate of the CFC or the rate of such other method of calculating the CFC as shall then be provided for in the CFC Resolution, (ii) the amount of Contingent Rent, if any, (iii) the amount and rate of any other Supplemental Facility Charges, if any, or (iv) a combination of any thereof, for the ensuing Bond Year. The per Transaction Day rate or the rate of such other method of calculating the CFC shall be established by the Director of Aviation or the Aviation Board as appropriate so that the collections of the CFC Revenues, Contingent Rent, other Supplemental Facility Charges, or a combination thereof will result in revenues for such ensuing Bond Year together with the amounts then on deposit in the Coverage Fund which do not exceed 25% of Maximum Annual Debt Service on the last Business Day of the ninth (9th) calendar month of the then current Bond Year, if any, will at least satisfy the Rate Covenant for such ensuing Bond Year.

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Historical CFC Revenues and Debt Service

CFC Revenues and Debt Service for the Bonds for Fiscal Years 2010 through Fiscal Year 2017 is presented below:

<u>Fiscal Year</u>	<u>CFC Revenues</u>	<u>Debt Service</u>	<u>DSCR without Coverage Fund</u>	<u>DSCR with Coverage Fund</u>
2010	\$11,975,343.40	\$6,023,887.50	199%	231%
2011	\$11,456,403.40	\$6,023,887.50	190%	222%
2012	\$11,437,828.20	\$6,023,887.50	190%	222%
2013	\$11,705,153.60	\$6,023,887.50	194%	226%
2014	\$12,260,160.00	\$6,023,887.50	204%	235%
2015	\$13,147,639.40	\$7,655,268.50	172%	197%
2016	\$15,275,732.45	\$7,648,025.00	200%	225%
2017	\$17,038,019.00	\$7,642,506.25	223%	248%

Source: New Orleans Aviation Board. Coverage Fund is \$1,923,543.75.

Required Actions to Eliminate CFC Deficits

The Indenture provides that a deficit (“*CFC Deficit*”) occurs if the Aviation Board projects CFC Revenues for the ensuing Bond Year are to be insufficient to satisfy the Rate Covenant for the ensuing Bond Year without further increasing the then existing rate at which the CFC is imposed. If a CFC Deficit is projected, the Aviation Board is required to engage an Independent Airport Consultant to recommend actions to be taken to cure the projected CFC Deficit. Not less than 90 days prior to the end of each Bond Year, the Independent Airport Consultant will be required to prepare and present to the Director, the Aviation Board, the Trustee, and the On-Airport Rental Car Companies the Rate Consultant’s Report recommending implementation of one or more of the following:

- (i) an increase in the per Transaction Day rate or the rate of such other method of calculating the CFC in the CFC Resolution,
- (ii) implementation of Contingent Rent,
- (iii) imposition of other Supplemental Facility Charges, or
- (iv) implementation of any combination of the foregoing for the ensuing Bond Year.

If the required increase in the CFC rate will result in a reduction in annual Transaction Days greater than 25%, the implementation of Contingent Rent or a combination of one or more of Contingent Rent, other Supplemental Facility Charges, and an increase in the CFC rate must be recommended by the Independent Airport Consultant.

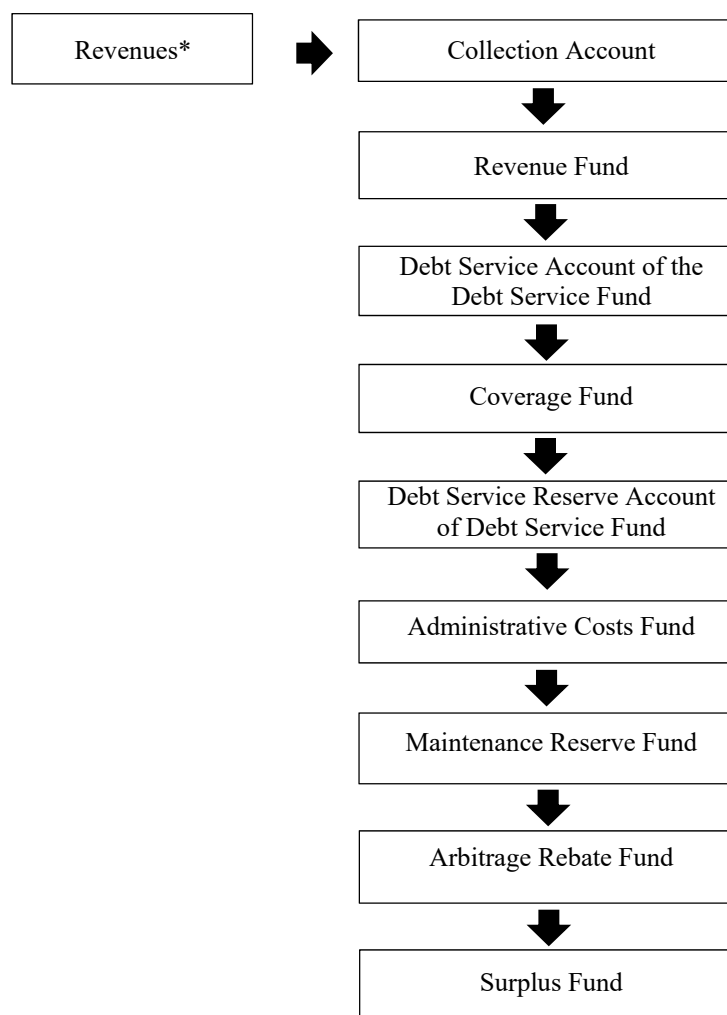
In making recommendations, the Independent Airport Consultant must consider, among other factors:

- (i) the historical and projected origination and destination traffic at the Airport;
- (ii) historical and projected Transaction Days at the Airport;
- (iii) the Annual Debt Service requirements;
- (iv) the budgeted Administrative Costs and the actual Administrative Costs;
- (v) the estimated CFC Costs,
- (vi) the amounts required to be deposited to the Funds and Accounts and any existing or projected deficiencies therein;
- (vii) information provided by the On-Airport Rental Car Companies; and
- (viii) such other factors deemed relevant by the Independent Airport Consultant.

Not less than 60 days prior to the end of the then current Bond Year, the On-Airport Rental Car Companies must provide written notice to the Director and the Independent Airport Consultant if any thereof object to any portion of the Rate Consultant's Report. The Director or the Aviation Board as appropriate under the CFC Resolution as then in effect is required to make a final determination regarding the plan to fund the estimated CFC Deficit for the next Bond Year.

Application of Revenues

A diagram showing the flow of funds under the Indenture is set forth below:



*Revenues include CFC Revenues, Contingent Rent, if any, and Supplemental Facility Charges, if any.

Collection Account: On a daily basis the Indenture requires the Aviation Board to deposit as received all CFC Revenues, Contingent Rent or other Supplemental Facility Charges to a Collection Account. On the 25th calendar day of each month or if not a Business Day on the next succeeding Business Day, amounts deposited/credited to the Collection Account are transferred by the Aviation Board to the Revenue Fund.

Revenue Fund: On or before the third-to-last Business Day of each month, the Trustee is required to transfer Revenues from the Revenue Fund to the following funds and accounts in the following order of priority:

Debt Service Account: First, the Trustee after taking into account any amounts representing capitalized interest therein, transfer to this fund (i) amounts sufficient to pay one-sixth of the interest due on the Bonds on the next succeeding Interest Payment Date and (ii) amounts sufficient to pay one-twelfth of the principal amount of the

Bonds coming due on the next succeeding Principal Payment Date, provided that payments prior to the first Principal Payment Date after the issuance of a Series of Bonds shall be adjusted to the extent necessary so that the total amount of principal due on such Series of Bonds on that Principal Payment Date will have been paid into the Debt Service Account in equal installments prior to that Principal Payment Date.

Coverage Fund: Second, the Trustee must maintain the funds on deposit in the Coverage Fund equal 25% of the Maximum Annual Debt Service on the Bonds ("*Coverage Fund Requirement*").

Debt Service Reserve Account: Third, the Trustee shall transfer into the Debt Service Reserve Account of the Debt Service Reserve Fund an amount so that the balance therein is equal to \$7,693,175, an amount which is calculated by determining the least of:

- (i) the Maximum Annual Debt Service coming due in any Bond Year;
- (ii) 125% of average annual Aggregate Debt Service; or
- (iii) 10% of the original principal amount.

In no event may the Debt Service Reserve Requirement for any Bonds calculated or recalculated at the times required exceed the maximum amount permitted under the Code as a reasonably required reserve for Tax-Exempt Bonds. The Debt Service Reserve Amount is expected to be funded fully on the date the Bonds are issued.

Administrative Costs Fund: Fourth, the Trustee shall transfer into this fund all moneys until there shall have been deposited thereto an amount equal to the then budgeted Administrative Costs for such Bond Year. Administrative Costs include shuttle busing costs between the Consolidated Facility and the North Terminal. Thereafter, no additional transfers to the Administrative Costs Fund shall be made during such Bond Year unless (i) the Aviation Board directs the Trustee to transfer an amount from the Surplus Fund sufficient to satisfy any deficiency within the Administrative Costs Fund or (ii) the Aviation Board amends the budgeted Administrative Costs for such Bond Year and such amendment increases the budgeted Administrative Costs for such Bond Year.

Construction Fund created for any Series of Bonds: The Indenture currently does not require deposits to the Construction Fund; however, pursuant to a Supplemental Indenture related to the issuance of a Series of Bonds, amounts may be deposited to the Construction Fund commencing on the dates and ending on the dates specified in the applicable Supplemental Indenture, if any.

Maintenance Reserve Fund: Sixth, the Trustee shall transfer into this fund amounts sufficient to satisfy the Maintenance Reserve Fund Deposit Requirement equal to \$1,500,000. The Maintenance Reserve Fund is expected to be funded on the Date of Issuance of the Bonds in an amount equal to the Maintenance Reserve Fund Deposit Requirement so that no further deposits to the Maintenance Reserve Fund will be required until a Physical Needs Assessment designates an adjustment to pay the costs of capital repairs and replacements of the Consolidated Facility over a twenty (20) year period from the date of such Physical Needs Assessment.

Arbitrage Rebate Fund: Seventh, the Trustee shall transfer into this fund the amounts calculated to be due to the Internal Revenue Service as arbitrage rebate for Tax-Exempt Bonds in accordance with any arbitrage rebate calculation provided to the Trustee with respect to a Series of Tax-Exempt Bonds.

Surplus Fund: Eighth, the Trustee shall transfer into this fund all moneys remaining in the Revenue Fund to be used for any of the following purposes as the Trustee is directed by an Authorized Board Representative; provided, however, that moneys in the Surplus Fund must be used first to reimburse O&M Payments and must be used second to pay the Ground Rental Repayment Amount to each On-Airport Rental Car Company prior to any purpose specified in items (iii) through (vii) below:

- (i) as long as the Facilities Leases and/or Concession Agreement with each On-Airport Rental Car Company contain provisions for reimbursement to the Manager of the O&M Payments, to pay to the Manager for any Bond Year an amount equal to the O&M Repayment Amount not previously reimbursed for such Bond Year,

- (ii) As long as the Facilities Lease and/or Concession Agreement with each contain provisions to pay the Ground Rental Repayment Amount not previously paid for a Bond Year to each On-Airport Rental Car Company the portion of the Ground Rental Repayment Amount equal to the percentage resulting from dividing the Ground Rentals paid by each On-Airport Rental Car Company for such Bond Year by the total of all Ground Rentals paid by all the On-Airport Rental Car Companies for such Bond Year,
- (iii) to fund repairs and replacements for the CFC Projects,
- (iv) to reimburse the Aviation Board for amounts expended by it from its lawfully available funds with respect to planning, financing and constructing or operating the Consolidated Facility and any other CFC Project,
- (v) to expand the CFC Projects,
- (vi) to purchase, defease or retire the Bonds or
- (vii) for any other lawful purpose of the Aviation Board with respect to the Consolidated Facility any other CFC Projects, the Bonds, or any ground transportation project benefiting or facilitating motor vehicular traffic at the Airport. The Aviation Board shall provide written notice to the On-Airport Rental Car Companies and the Independent Airport Consultant as to the use of moneys in the Surplus Fund. Moneys credited to the Surplus Fund shall be used by the Trustee to pay the principal of and interest on the Bonds at such time as such principal and interest are due and there is not sufficient money in the Debt Service Account.

Additional Bonds

Additional Bonds may be issued under the Indenture on a parity basis with the Bonds. Among others, the following requirements must be satisfied prior to the issuance of Additional Bonds:

- either (i) a Certificate of an Independent Airport Consultant stating that, based upon reasonable assumptions set forth therein, Revenues are projected to be not less than that required to satisfy the Rate Covenant, including taking into account the amounts in the Coverage Fund not to exceed 25% of Maximum Annual Debt Service for each of the next three Fiscal Years following the issuance of such Bonds or, if later, for each Fiscal Year from the issuance of such Series through the two Fiscal Years immediately following completion of the CFC Projects financed by such Bonds; or (ii) a Certificate of an Authorized Board Representative stating that Revenues in the most recent completed Fiscal Year for which audited financial statements have been prepared satisfied the Rate Covenant, including taking into account the amounts in the Coverage Fund not to exceed 25% of Maximum Annual Debt Service assuming for such purpose that Aggregate Debt Service for the Bond Year commencing during such Fiscal Year includes the Maximum Annual Debt Service on the Bonds proposed to be issued, provided however, neither of such items will be required with respect to the Bonds, Refunding Bonds including Completion Bonds, and Subordinated Bonds;
- in the case of Completion Bonds, a Certificate of an Authorized Board Representative stating (i) that the Series of Bonds proposed to be issued are being issued to finance the costs of one or more CFC Projects initially financed in whole or in part by the Bonds, and (ii) that the additional cost of the CFC Projects being financed by such Series does not exceed 15% of the aggregate cost thereof previously financed. Prior to the delivery of any Completion Bonds, the Aviation Board shall file with the Trustee a certificate of a Consulting Engineer (i) stating that the CFC Projects have not materially changed from their description in the Supplemental Indenture creating the Series of Bonds initially issued to finance the cost of such CFC Projects, (ii) estimating the revised aggregate cost of the CFC Projects, (iii) stating that the revised aggregate cost of such CFC Projects cannot be paid with available moneys, and (iv) stating that, in the opinion of the Consulting Engineer, the issuance of Completion Bonds is necessary to provide funds to complete the subject CFC Projects;
- a Certificate stating the applicable Debt Service Reserve Requirement.

Refunding Bonds

Refunding Bonds may be issued under the Indenture upon receipt by the Trustee of, among other requirements, a Certificate of an Authorized Board Representative substantially to the effect that either (i) after the issuance of the proposed Refunding Bonds, the Aggregate Debt Service on all Outstanding Bonds (including the proposed Refunding Bonds) will be less for each Bond Year within which any of the refunded Bonds would have been Outstanding but for their having been refunded or (ii) the refunding will reduce the total debt service payments on the refunded Bonds on a present value basis or alternatively Refunding Bonds may be issued by complying with the provisions of the Indenture related to the issuance of Additional Bonds as referenced in the first bullet point under “Additional Bonds” above.

Bonds Are Limited Obligations

THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE AVIATION BOARD AND ARE SECURED BY AND PAYABLE SOLELY FROM THE TRUST ESTATE OF THE INDENTURE CONSISTING OF REVENUES, INCLUDING CFC REVENUES, CONTINGENT RENT, AND SUPPLEMENTAL FACILITY CHARGES, AND CERTAIN OTHER MONEYS AND SECURITIES HELD BY THE TRUSTEE UNDER THE PROVISIONS OF THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE CITY OF NEW ORLEANS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER. NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE CITY OF NEW ORLEANS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE, OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE NEW ORLEANS AVIATION BOARD (WHICH HAS NO TAXING POWER). See “**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Pledge of Indenture**” herein.

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DESCRIPTION OF DEBT SERVICE REQUIREMENTS FOR BONDS

The table below sets forth the Debt Service Requirement for each Fiscal Year ending December 31st for Bonds.

<u>Period Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
12/31/2019		\$2,672,874	\$2,672,874
12/31/2020		3,992,675	3,992,675
12/31/2021		3,992,675	3,992,675
12/31/2022		3,992,675	3,992,675
12/31/2023		3,992,675	3,992,675
12/31/2024		3,992,675	3,992,675
12/31/2025	1,385,000	3,958,050	5,343,050
12/31/2026	3,765,000	3,829,300	7,594,300
12/31/2027	3,955,000	3,636,300	7,591,300
12/31/2028	4,150,000	3,433,675	7,583,675
12/31/2029	4,360,000	3,220,925	7,580,925
12/31/2030	4,575,000	2,997,550	7,572,550
12/31/2031	4,810,000	2,762,925	7,572,925
12/31/2032	5,045,000	2,516,550	7,561,550
12/31/2033	5,300,000	2,257,925	7,557,925
12/31/2034	5,565,000	1,986,300	7,551,300
12/31/2035	5,840,000	1,701,175	7,541,175
12/31/2036	6,135,000	1,401,800	7,536,800
12/31/2037	6,440,000	1,087,425	7,527,425
12/31/2038	6,760,000	757,425	7,517,425
12/31/2039	7,100,000	446,425	7,546,425
12/31/2040	7,380,000	152,213	7,532,213
	<u>\$82,565,000</u>	<u>\$58,782,212</u>	<u>\$141,347,212</u>

THE AIRPORT

The Air Service Area

The Airport is owned by the City and is located in both Jefferson Parish and St. Charles Parish, and is approximately 14 miles west of the City's central business district. It is the largest primary commercial service airport serving Southeast Louisiana. The Airport primarily serves passengers whose travel originates or terminates in the Air Service Area which consists of the following parishes: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St John the Baptist, and St. Tammany. There are six other primary commercial service airports in Louisiana; all of which are classified by the FAA as small hub or nonhub airports. By comparison, the Airport is classified as a medium hub airport with approximately 6.0 million enplanements in Fiscal Year 2017. Based on the airport traffic data compiled by the Airports Council International-North America, the Airport ranked thirty-eight (38th) amongst United States commercial service airports in total passengers in 2017. Outside of Louisiana, there are two primary commercial service airports within a 200-mile drive from the Airport; Gulfport-Biloxi International Airport and Jackson-Evers International Airport, both of which are classified as small hub airports and are significantly smaller than the Airport.

The Airport's market reach extends beyond its primary air service area (the New Orleans MSA) to the rest of Louisiana and areas between the Airport and the nearest major commercial service airports: George Bush Intercontinental Airport and William P. Hobby Airport in Texas; Memphis International Airport in Tennessee and Hartsfield-Jackson Atlanta International Airport in Georgia.

Primary Air Service Area



Source: FAA enplanements 2017; U.S. Census population data via Diio Mi

The City and MSA

The City of New Orleans is located in the State of Louisiana and is on the Mississippi River, 110 miles from its mouth.

The New Orleans Metropolitan Statistical Area (MSA) includes Jefferson, Orleans, St. Bernard, St. Charles, Plaquemines, St. John the Baptist, St. James, and St. Tammany Parishes. The Air Service Area is composed of the New Orleans MSA and beyond. In 2017, the MSA population of approximately 1.3 million accounted for more than 27 percent of the State population.

The City is a major convention and tourist center and is recognized as one of the world's premier tourist destinations. Travel + Leisure lists New Orleans as one of the World's Best Cities. TripAdvisor includes New Orleans as one of the Top 25 Destinations. U.S. News and World Reports lists New Orleans as one of the Top U.S. Places. In 2017, the City attracted almost 18 million visitors who spent over \$8.7 billion, the highest spending in the City's history. The City's distinctive jazz music and various festivals, including Mardi Gras, all contribute to its attractiveness to tourists.

New Orleans is a popular and growing port-of-call being served by Carnival Cruise Lines, Norwegian Cruise Line, and Royal Caribbean Cruise Line. One-third of the 1.5 million cruise visitors in 2017 arrived by Air.

Hotel Room capacity in the New Orleans MSA in 2017 is just under 40,000 rooms and continues to grow with more than 5,000 new hotel rooms planned for New Orleans through 2020.

The City is home to seven institutions of higher education (Tulane University, University of New Orleans, Loyola University New Orleans, Southern University at New Orleans, Xavier University of Louisiana, Dillard University, and University of Holy Cross). Delgado Community College and the LSU Health Sciences Center-New Orleans and other similar hospital facilities are also located in the City.

Airport Management

The Airport is managed by the Aviation Board. The Aviation Board appointed Director of Aviation and Deputy Directors are responsible for day-to-day operations and planning for the Airport. They are currently:

Mr. Kevin Dolliole	Director of Aviation
Mr. Walter J. Krygowski	Deputy Director of Operations and Maintenance
Ms. Henrietta Brown	Deputy Director of Finance and Business Management
Ms. Michele D. Allen-Hart	Chief Legal Counsel and Deputy Director of Legal Affairs
Ms. Michelle Wilcut	Deputy Director of Customer Service
Ms. Kristina Bennett-Holmes	Deputy Director of Commercial Development
Mr. James McCluskie	Deputy Director of Planning, Development and Construction
Ms. Alexandra Tassiello Norton	Deputy Director of Administration and Innovation

Below are brief biographies for these individuals:

Mr. Kevin Dolliole is the Airport's Director of Aviation. With over 40 years of experience in various facets of the aviation industry, Mr. Dolliole is involved in many organizations that are dedicated to the advancement of aviation and related industries. He recently served on the Board of Directors for Airports Consultants Council and also has served on the Board of Directors for Airports Council International-North America. A New Orleans native, he began his aviation career at the Louis Armstrong New Orleans International Airport before going on to serve as the Director of Aviation at the San Antonio International Airport and the St. Louis Lambert International Airport. Mr. Dolliole received a Bachelor of Science in Business Administration from Xavier University and a Master of Business Administration from the University of New Orleans.

Mr. Walter J. Krygowski is the Deputy Director of Operations and Maintenance. Mr. Krygowski previously served as Senior Airport Counsel, Deputy Director of Aviation and Interim Director of Aviation at Dayton International Airport. He is a member of the Ohio State Bar, and Airport Council International – North America, American Association of Airport Executives. At Louis Armstrong New Orleans International Airport, Mr. Krygowski is responsible for the oversight of all operations and maintenance, including airfield and terminal operations, airport communications, security, airfield and terminal maintenance, ground transportation, and Airport Rescue and Fire Fighting.

Ms. Henrietta Brown is the Airport's Deputy Director of Finance and Business Management. Ms. Brown has more than twenty years of finance and administration experience, with eight of those years at mid-size airports in progressively responsible management roles. Most recently, she served as Chief Aviation Administration Officer at San Antonio International Airport. Prior airport experience includes the Columbus Regional Airport Authority and the St. Louis Lambert International Airport. Ms. Brown has a Bachelor of Science degree in Accounting from the University of Missouri, an MBA from Webster University, and a Master of Divinity degree from Eden Theological Seminary. Ms. Brown is a Certified Member of the American Association of Airport Executives.

Ms. Michele D. Allen-Hart is the Airport's Chief Legal Counsel and Deputy Director of Legal Affairs. Ms. Allen-Hart is a business and property attorney and experienced litigator. She has served as a lead trial attorney and coordinated hundreds of cases prior to bringing her experience in the private sector to Aviation Board. She has drafted and amended numerous professional, service, and construction contracts; leases and permits; and solicitation documents for procurements. Ms. Allen-Hart received her Bachelor of Arts in Political Science from the University of Miami and her Juris Doctorate of Law from St. Thomas University School of Law. Ms. Allen-Hart is licensed to practice law in Louisiana, Mississippi, Texas, Florida, and New Jersey.

Ms. Michelle Wilcut is the Airport's Deputy Director of Customer Service and oversees the Janitorial, Training, and Customer Service departments at the Airport. Ms. Wilcut began her career at the Airport in the Operations Department and moved to the Training Department to institute training programs for airport employees. She was promoted to Public Relations Manager where she served as the media liaison and airport spokesperson. She holds a Bachelor's degree in Aviation Management from Embry-Riddle Aeronautical University.

Ms. Kristina Bennett-Holmes is the Airport's Deputy Director of Commercial Development and oversees all Air Service Development initiatives for passenger and cargo airline recruitment, Business Development of

Airport real estate, and Properties Management of lease agreements outside the terminal facility and tenant relations. Prior to her services to the Aviation Board, Ms. Bennett-Holmes was Vice President of Business Development for Thanks Again and the Director of Marketing and Business Development for Gulfport-Biloxi International Airport. She holds a Bachelor's degree in Business Administration from the University of Southern Mississippi and earned her Master's in Business Administration from William Carey University. She is a Certified Member of the American Association of Airport Executives.

Mr. James McCluskie is the Deputy Director of Planning, Development and Construction. He has over 25 years in planning and construction, with 12 years of airport experience. Prior to joining the Airport, Mr. McCluskie was the Director of Planning and Development at the Fort Lauderdale Hollywood International Airport that oversaw the \$1.5 billion elevated runway and terminal modernization program. Most recently, Mr. McCluskie served as Vice President of Planning, Engineering and Construction of the Reno-Tahoe Airport Authority. In that role, he oversaw the construction of the terminal redevelopment program and construction of two major runways. Mr. McCluskie has a Master's Degree in Urban Regional Planning from Florida Atlantic University, specializing in urban design and economic development. At Louis Armstrong New Orleans International Airport, Mr. McCluskie is responsible for oversight of the North Terminal Program and all other planning and construction projects at the Airport.

Ms. Alexandra Tassiello Norton is the Deputy Director of Administration and Innovation where she oversees the Information Technology, Human Resources, Procurement, Materials Management, and Innovation departments. Prior to joining the Airport, Ms. Norton served as Director of Innovation for the City of New Orleans, restructured and launched the City's \$2 billion disaster recovery program; designed and directed innovative and successful economic development, resilience, and infrastructure recovery programs for the State of Louisiana following Hurricanes Katrina and Rita. Ms. Norton has consulted on transportation planning for the City of Santa Monica, Dodger Stadium, and the Los Angeles subway extension. She earned her Bachelor's Degree in Political Philosophy and Master's Degree in of Urban Planning with a specialization in Transportation from UCLA.

Airport Financial Information

The Airport is structured as an enterprise fund of the City. The financial statements for the Airport are prepared on the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred. Capital assets, except land, are capitalized and depreciated over their useful lives. The City and the Aviation Board are required by Louisiana law to have their financial statements audited annually. Historically, the City has engaged an auditing firm to perform a combined audit of the City's and the Aviation Board's financial statements. The Fiscal Year 2017 audited financial statements of the Aviation Board by Postlethwaite & Netterville, APAC, are attached hereto as **APPENDIX G**.

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Enplanements

With enplanements increasing more than 50% since 2008, the growth rate at the Airport ranks third among the top 60 U.S. Airports. There were over 6 million enplaned passengers in 2017 and the year-to-date enplaned passengers at the Airport through July 2018 is up 10.7%.

As of July 2018, the Airport was served by 10 U.S. passenger carriers and 5 foreign flag passenger carriers providing scheduled service. Enplanements by airline for the calendar years 2013-2017 are shown below.

Commercial Passenger Enplanements at the Airport

Airline	Enplanements (1,000s)					Market Share				
	2013	2014	2015	2016	2017	2013	2014	2015	2016	2017
Southwest¹	1,765	1,910	2,064	2,081	2,203	38.4%	39.0%	38.6%	37.3%	36.7%
Delta	945	990	1,045	1,051	1,055	20.5%	20.2%	19.6%	18.8%	17.6%
Mainline	825	877	939	951	979	18.0%	17.9%	17.6%	17.1%	16.3%
Regional	119	113	106	99	75	2.6%	2.3%	2.0%	1.8%	1.2%
American²	863	884	889	910	953	18.8%	18.1%	16.6%	16.3%	15.9%
Mainline	639	664	621	633	795	13.9%	13.6%	11.6%	11.3%	13.2%
Regional	223	221	268	277	157	4.9%	4.5%	5.0%	5.0%	2.6%
United³	790	802	814	789	795	17.2%	16.4%	15.2%	14.1%	13.2%
Mainline	593	581	641	642	682	12.9%	11.9%	12.0%	11.5%	11.4%
Regional	197	220	173	147	113	4.3%	4.5%	3.2%	2.6%	1.9%
Others⁴	236	306	532	750	999	5.1%	6.3%	10.0%	13.4%	16.6%
Mainline	203	273	492	699	951	4.4%	5.6%	9.2%	12.5%	15.8%
Regional	19	20	22	23	28	0.4%	0.4%	0.4%	0.4%	0.5%
Charter	15	13	18	27	20	0.3%	0.3%	0.3%	0.5%	0.3%
Total	4,598	4,892	5,345	5,580	6,005	100.0%	100.0%	100.0%	100.0%	100.0%
Mainline	4,025	4,305	4,757	5,006	5,611	87.5%	88.0%	89.0%	89.7%	93.4%
Regional & Charter	573	587	587	574	394	12.5%	12.0%	11.0%	10.3%	6.6%

¹ Including AirTran in 2013.

² Including US Airways through 2014.

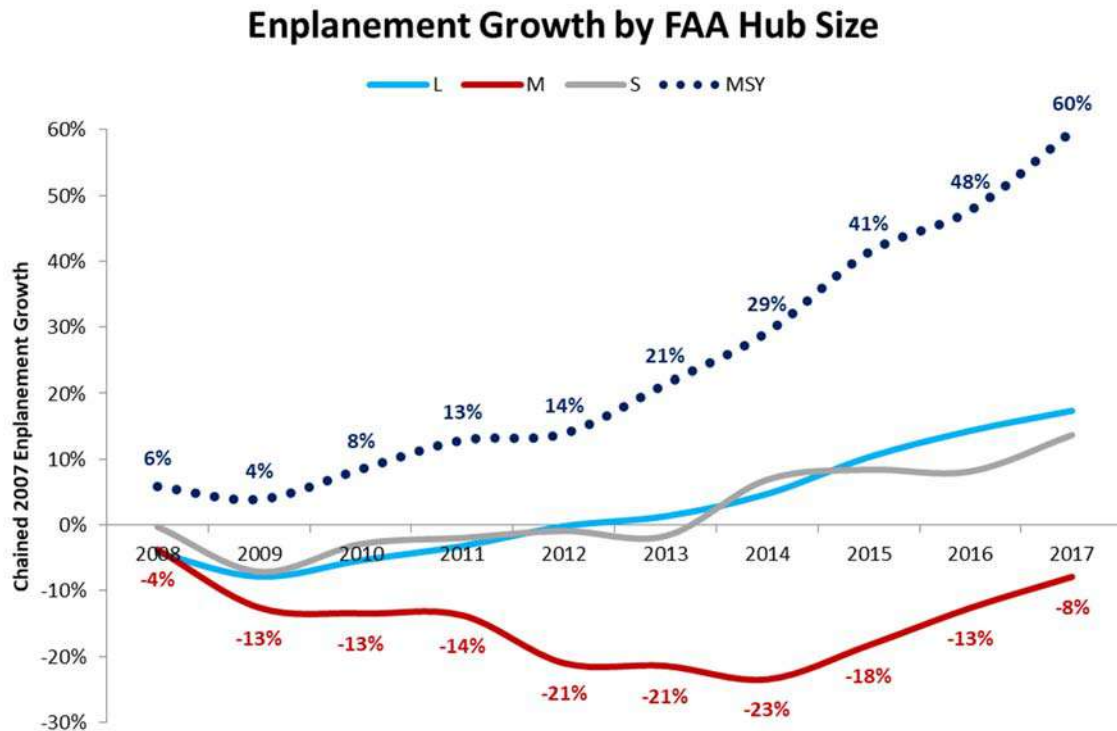
³ Including Continental in 2013.

⁴ Including Alaska (beginning in 2014), Allegiant (beginning in 2015), Frontier, JetBlue, PEOPLExpress (in 2014), Virgin America in 2017, Air Canada and other foreign flag carriers.

Source: Airport records.

MSY Enplanements by Airport Hub Size, 2007-2017

Enplanements at the Airport over the past ten years have risen 60% in contrast to similar sized medium hubs at which enplanements have collectively decreased 8%. Large and small hub airports have experienced enplanement growth at 17% and 14%, respectively. As enplanements have continuously increased fares have remained consistently below the national average (BTS.gov), driven in part by the significant growth of legacy and of low-cost carrier capacity, with over 6,300 new daily one-way low-cost carrier seats added versus 2007.



Source: FAA enplanement data by airport hub size via Airport records

Nonstop Services

Fueling a portion of the enplanement growth at the Airport has been nonstop service to all major U.S. Destinations. The Airport has grown from 39 nonstop destinations in 2009 to 53 in 2018. Three new nonstop destinations were launched in the spring of 2018: Sacramento, San Jose, and Atlantic City. Sun Country Airlines is launching seasonal service to Minneapolis in September 2018 and to Nashville in November 2018.

The North Terminal Project

The North Terminal Project consists of a new passenger terminal (“*North Terminal*”) on the North side of the Airport and necessary related improvements, such as aircraft aprons, a central utility plant, a parking garage, parking spaces in surface lots, on-site roadway systems and associated ground transportation facilities, and associated enabling projects such as navigational equipment and airfield lighting vault relocations. The new passenger terminal will have 35 airline gates and will consist of over 900,000 square feet of space and is expected to be open and available for occupancy in the first half of 2019.

The existing terminal facility on the South side of the Airport (“*South Terminal*”) consists of approximately 1,200,000 square feet of space, which includes four Concourses (A, B, C, and D) and 42 gates. The South Terminal will be redeveloped and repurposed upon completion and opening of the North Terminal.

ON-AIRPORT RENTAL CAR COMPANY OPERATIONS

On-Airport Rental Car Companies currently operate out of the Consolidated Facility within a short walk from the existing South Terminal. When the North Terminal becomes operational, however, shuttle bus transportation will be provided between the Consolidated Facility and the North Terminal. The Concession Agreement and Facilities Lease govern the operation of On-Airport Rental Car Companies at the CONRAC and Service Centers which together constitute the Consolidated Facility. The following On-Airport Rental Car Companies have each signed a Concession Agreement and a Facilities Lease:

Avis Budget Car Rental, LLC;
DTG Operations, Inc. dba Dollar Rent A Car and DBA Thrifty Car Rental;
EAN – New Orleans, LLC, d/b/a Enterprise-Rent-A-Car, National and Alamo; and
Hertz Corporation.

These companies operate the following brands at the Airport: Hertz Corporation, Avis Enterprise, National, Budget, Dollar, Alamo, Thrifty, Payless, Zipcar.

Concession Agreements

The Concession Agreements obligate each On-Airport Rental Car Company to operate a rental car concession (“*Concession*”) at the Airport from the first scheduled arrival flight each day to the last scheduled arrival flight each day, three hundred sixty-five (365) days per year. Each Concession is based on the response (“*Concessionaire’s Bid*”) to the Aviation Board’s Request for Bids issued February 27, 2009 prior to the construction and opening of the Consolidated Facility. The On-Airport Rental Car Company’s Bid is incorporated into each Concession Agreement by reference. Accordingly, each On-Airport Rental Car Company is obligated to meet all specifications described in their Bid but where an express provision of the Concession Agreement conflicts with any provision of the Bid, the Concession Agreement controls.

The Concession Agreement between the On-Airport Rental Car Companies and the Aviation Board extends ten years from January 2013 (“*Commencement Date*”), the CONRAC date of beneficial occupancy, to January 2023 (“*Termination Date*”).

Beginning as of the Commencement Date and continuing through the Term of the Concession Agreement, each On-Airport Rental Car Company must continue to collect and remit CFC Revenues to the Aviation Board for the prior calendar month on or before the 20th day of each calendar month at the per-transaction day level established pursuant to the CFC Resolution. The amount of the CFC collected and remitted by an On-Airport Rental Car Company for each Transaction Day is the same for all On-Airport Rental Car Companies operating from the CONRAC.

Facilities Lease

On-Airport Rental Car Companies have entered into individual Facilities Leases for a portion of the Consolidated Facility (“*Exclusive Use Premises*”) and thereby assumed the responsibility, cost, and expense, for the operation, repair and maintenance of their Exclusive Use Premises, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise throughout the term of the Facilities Lease.

On-Airport Rental Car Companies pay Ground Rent to the Aviation Board on an annual per square foot rate for rentals in the CONRAC and the Service Centers. Ground Rent for the Service Center is based on the percentage of the service center rented. Similarly, Ground Rent for the CONRAC is based on the percentage of the CONRAC rented prorated share of the On-Airport Rental Car Company’s Exclusive Use Premises.

The Facilities Lease also requires On-Airport Rental Car Companies to pay a Manager, as their agent, the costs of operating and maintaining Common Areas of the Consolidated Facility (“*O&M Expenses*”). As long as the Facilities Lease and/or Concession Agreements contain provisions for reimbursement to the Manager of the O&M Expenses, the Indenture provides that the Trustee will pay to the Manager actual O&M Expenses for a Bond Year (“*O&M Repayment Amount*”) not previously reimbursed for such Bond Year prior to any other disbursement from the Surplus Fund. The O&M Repayment Amount is used by the Manager to reduce the O&M Payment due by each On-Airport Rental Car Company.

As long as the Facilities Lease and/or Concession Agreements contain provisions for reimbursement of Ground Rentals, the Indenture also provides that following the payment of the O&M Repayment Amount, the Trustee will pay to each On-Airport Rental Car Company from the Surplus Fund an amount equal to Ground Rentals paid by all of the On-Airport Rental Car Companies in a Bond Year (“*Ground Rental Repayment Amount*”) not previously paid for such Bond Year. Each On-Airport Rental Car Company is paid the portion of the Ground Rental Repayment Amount equal to the percentage resulting from dividing the Ground Rentals paid by each On-Airport

Rental Car Company by the total of all Ground Rentals paid by all the On-Airport Rental Car Companies for such Bond Year.

The term of the Facilities Lease between the On-Airport Rental Car Companies and the Aviation Board is contemporaneous with the term of the Concession Agreement and extends to the Concession Agreement's Termination Date.

Insurance Coverage

Types of Insurance: The Concession Agreement requires each On-Airport Rental Car Company to procure and maintain at its own expense the following types and amounts of insurance for the Term of the Concession Agreement:

Comprehensive General Liability Insurance: including automobile liability insurance covering owned, hired and non-owned vehicles. Such policy or policies are required to be an occurrence form and must cover loss or liability for damages in an amount not less than \$2,000,000, combined single limit, for each occurrence for personal injury, bodily injury, death or property damage occurring by reason of the On-Airport Rental Car Company's operations in, on or about the Airport.

Worker's Compensation and Employers' Liability Insurance: in the amounts and form required by the Worker's Compensation Act and insurance laws of the State of Louisiana. The policy will include a Waiver of Subrogation against the City of New Orleans and the New Orleans Aviation Board.

Property Insurance: for Leasehold Improvements, Business Fixtures, Equipment, Furniture, and Furnishings insuring against all risks in an amount not less than one hundred percent (100%) value of the replacement cost of the insured property. The City and the Aviation Board must be named as additional insureds.

Exclusive Use Premises: The Facilities Lease requires each On-Airport Rental Car Company to obtain and keep in force insurance coverage on its Exclusive Use Premises not less than the types and amounts specified below:

General Liability Insurance: Each On-Airport Rental Car Company must cause the Aviation Board and such On-Airport Rental Car Company to be insured on an occurrence basis, against bodily injury (including wrongful death) in a sum of not less than \$2,000,000 for any one person, and not less than \$5,000,000 for any one occurrence occurring at the CONRAC or on the Airport or incidental to the operations of the On-Airport Rental Car Company under the Facilities Lease and not less than \$1,000,000 for each occurrence of damage to the property of others.

Worker's Compensation and Employer's Liability Insurance: Each On-Airport Rental Car Company must keep in force Worker's Compensation and Employer's Liability Insurance in the form and in the amount prescribed by law for such coverage, including Employers Liability with limits of:

1. Workers' Compensation – Statutory;
2. Employers Liability -- \$500,000 per accident with limits of: \$500,000 disease-policy limit; \$200,000 disease-each employee.

Comprehensive Automobile and Truck Liability Insurance. Each On-Airport Rental Car Company must keep in force Comprehensive Automobile and Truck Liability Insurance covering owned, hired, and non-owned vehicles with minimum limits of \$2,000,000 combined single limit per occurrence for personal or bodily injuries, including death, and property damage.

Contractual Liability Insurance. Each On-Airport Rental Car Company must keep in force Contractual Liability coverage including, but not limited to, the liabilities assumed under the indemnification provisions of the Facilities Lease.

Umbrella/Excess Liability Policy. With respect to any On-Airport Rental Car Company construction pursuant to the Facilities Lease.

Full Replacement Cost. Each On-Airport Rental Car Company must keep in force insurance on all of the improvements on the Exclusive Use Premises (now or hereafter existing) or used in connection therewith against any loss or damage by fire, flood, wind, earthquake and other or any casualties or peril, and all other perils as are included within what is commonly known as “all risk coverage” for any improvements on the Exclusive Use Premises.

Common Areas. Each On-Airport Rental Car Company represents, warrants, and agrees in the Facilities Lease to cause the Manager to obtain and pay the premiums for insurance relating to the Common Areas of the CONRAC of the type and in the limits set forth in items above to the extent applicable to the Common Areas.

CFCs and Other Amounts Collected by On-Airport Rental Car Companies

On-Airport Rental Car Companies are required pursuant to the Concession Agreement and the Facilities Lease to collect the CFC and remit the CFC to the Aviation Board. The CFC is presently imposed at the rate of \$7.95 per Transaction Day; however, the CFC rate may be changed from time to time by the Director as required without further action by the Aviation Board or the City Council and must be increased under certain circumstances as required by the Rate Covenant. Contingent Rent and Supplemental Facility Charges may also be collected from the On Airport Rental Car Companies by the Aviation Board to satisfy the Rate Covenant. No Contingent Rent or Supplemental Facility Charges have ever been collected because the CFC alone has been sufficient to satisfy the Rate Covenant. See 2018 CFC Resolution adopted by the Aviation Board on September 6, 2018 attached as **APPENDIX D.**

Management of Consolidated Facility

The Concession Agreement requires the management and operation of the Consolidated Facility to be under the supervision and direction of an active, qualified, competent manager. In accordance with this requirement, on November 15, 2012 the On-Airport Rental Car Companies executed a Facilities Maintenance and Operational Services Agreement (“*MOSA*”) with MVI Facility Services, LLC as the Manager.

The MOSA requires the Manager of the Consolidated Facility to prepare a budget (“*Manager Budget*”) of O&M Expenses to reflect the costs of operating and maintaining the common areas of the Consolidated Facility. Each On-Airport Rental Car Company must pay to the Manager monthly the O&M Payment in the amount equal to the product obtained by (i) dividing the total annual Manager Budget by twelve and (ii) multiplying the quotient obtained in step (i) by the percentage obtained by dividing the square footage of the On-Airport Rental Car Company’s Exclusive Use Premises in the CONRAC by the total square footage of all Exclusive Use Premises in the CONRAC. The amount of the O&M Payment is reviewed not less than semi-annually and adjusted, as necessary, effective on the first day of the second calendar month following any such adjustment, at least 70 days before each Bond Year and at any other time as required to satisfy the requirements of the Facilities Lease, the Bond Resolution and the Indenture or at such other times as the Manager or the Aviation Board deems necessary to meet the O&M Expenses.

Shuttle Services

The relocation of the main terminal to the North side of the Airport will require rental car customers be shuttled between the new North Terminal and the CONRAC. Anticipating such need, On-Airport Rental Car Companies solicited competitive proposals for a contractor to provide a common shuttle bus system. The On-Airport Rental Car Companies selected SP+ Global MSY Joint Venture (“*Contractor*”) to provide such services. A Rental Car Shuttle Bus Management Agreement (“*Shuttle Agreement*”) was entered into on December 21, 2017. Pursuant to the Shuttle Agreement, the Contractor will provide all buses, equipment, personnel, materials and services during an initial seven year term expiring seven (7) years following commencement of shuttle bus services with an option for an additional five years.

The Shuttle Agreement requires the Contractor to provide a shuttle bus operation for the transportation of rental car customers between the Airport’s terminal buildings and the CONRAC. The Shuttle Agreement requires the Contractor to furnish such shuttle bus service to customers of On-Airport Rental Car Companies as Members impartially and to any customers of an Off-Airport Rental Car Company.

OFF-AIRPORT RENTAL CAR COMPANIES

No Rental Car Company may operate out of the CONRAC without a Concession Agreement and a Facilities Lease. In order to pick up and drop off rental car customers at the Airport, the Aviation Board requires Off-Airport Rental Car Companies to obtain a permit and further requires that customers of Off-Airport Rental Car Companies pick up and drop off their customers at a location adjacent to the CONRAC.

The Aviation Board has legal authority to impose a CFC in connection with Off-Airport Rental Car customer rental car contracts but does not currently do so. If the Aviation Board were to impose such a CFC and require Off-Airport Rental Car Companies to collect such CFCs, the revenues from such CFCs will not constitute CFC Revenues under the current terms of the Indenture.

While Off-Airport Companies currently represent a small percentage of the Airport’s rental car market, the remote location of the CONRAC to the North Terminal reduces somewhat the competitive advantage held by On-Airport Rental Car Companies over Off-Airport Rental Car Companies. A brief discussion of competition from Off-Airport Rental Car Companies is contained in “**Forecast Risk Factors**” of “**APPENDIX A – Airport Consultant’s Letter**”.

AIRPORT CONSULTANT’S LETTER

Unison Consulting, Inc., as the Aviation Board’s Aviation Consultant, provided an Airport Consultant’s Letter to confirm satisfaction of the Rate Covenant following the issuance of the Bonds and the introduction of shuttle bus transportation between the Consolidated Facility and the North Terminal when the North Terminal becomes operational. The Airport Consultant’s Letter is included in this Official Statement as “**APPENDIX A**”. The Airport Consultant’s Letter is part of this Official Statement. Purchasers of the Bonds should read the Airport Consultant’s Letter in its entirety. The Airport Consultant’s Letter relies in part on debt service estimates provided by the Airport’s Financial Advisor, Frasca & Associates, LLC. The Airport Consultant’s Letter does not reflect pricing terms of the Bonds or any other changes occurring after October 1, 2018.

The Airport Consultant’s Letter provides detailed information regarding the Airport, its air service area, passenger traffic, and forecast transaction days. The Airport Consultant’s Letter describes airport passenger traffic, rental price, consumer income trends, impact of competition from transportation network companies (“*TNCs*”) as a ground transportation alternative as key factors that affect forecast Transaction Days which are the basis for calculating CFC Revenues. The report also develops projections of these key factors for the period ending in 2027 (“*Forecast Period*”) and discusses the underlying forecast development methods and assumptions. The following Table from the Airport Consultant’s Letter projects CFC Revenues for the Bond Years 2018 through 2027:

Projected CFC Revenues

Year	Transaction	CFC Rate	CFC
	Days		Revenues
2018	2,175,942	\$7.95	\$17,298,740
2019	2,231,837	\$7.95	\$17,743,105
2020	2,206,692	\$7.95	\$17,543,202
2021	2,214,225	\$7.95	\$17,603,088
2022	2,229,214	\$7.95	\$17,722,255
2023	2,230,571	\$7.95	\$17,733,040
2024	2,266,418	\$7.95	\$18,018,020
2025	2,298,862	\$7.95	\$18,275,955
2026	2,327,450	\$7.95	\$18,503,231
2027	2,355,104	\$7.95	\$18,723,079

Using the projected CFC Revenues and CFC Costs for the Projection Period, the following Table from the Airport Consultant's Letter projects the Rate Covenant Calculations for Bond Years 2018 through 2027:

Rate Covenant Calculations

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenues										
CFC Revenue	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
Supplemental Facility Charges	0	0	0	0	0	0	0	0	0	0
Total Revenues	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
CFC Costs										
Debt service	3,659,608	4,080,000	4,080,000	4,080,000	4,080,000	4,080,000	5,875,000	7,685,250	7,690,500	7,686,250
Administrative Expenses	507,630	6,675,200	6,878,966	7,067,695	7,262,791	7,473,155	7,685,899	7,904,733	8,129,832	8,361,376
Deposits to Maintenance Reserve Fund	0	0	0	0	0	0	0	0	0	0
Total CFC Costs	4,167,238	10,755,200	10,958,966	11,147,695	11,342,791	11,553,155	13,560,899	15,589,983	15,820,332	16,047,626
Excess Revenues over CFC Costs	\$13,131,502	\$6,987,905	\$6,584,236	\$6,455,393	\$6,379,464	\$6,179,885	\$4,457,121	\$2,685,972	\$2,682,899	\$2,675,453
Total Revenues	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
Coverage Fund Balance	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438
Revenues plus Coverage Fund Balance	\$19,222,178	\$19,666,543	\$19,466,640	\$19,526,526	\$19,645,693	\$19,656,478	\$19,941,458	\$20,199,393	\$20,426,669	\$20,646,517
Debt Service	3,659,608	4,080,000	4,080,000	4,080,000	4,080,000	4,080,000	5,875,000	7,685,250	7,690,500	7,686,250
Debt Service Coverage	5.25	4.82	4.77	4.79	4.82	4.82	3.39	2.63	2.66	2.69
Debt Service Coverage Without Coverage Fund Balance	4.73	4.35	4.30	4.31	4.34	4.35	3.07	2.38	2.41	2.44

The following Table from the Airport Consultant's Letter projects the Application of Revenues during Bond Years 2018 through 2027:

Application of Revenues

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Deposits to Revenue Fund										
CFC Revenues	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
Supplemental Facility Charges	0	0	0	0	0	0	0	0	0	0
Total Revenue	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
Deposits to:										
Debt Service Fund	3,659,608	4,080,000	4,080,000	4,080,000	4,080,000	4,080,000	5,875,000	7,685,250	7,690,500	7,686,250
Coverage Fund	0	0	0	0	0	0	0	0	0	0
Debt Service Reserve Fund	0	0	0	0	0	0	0	0	0	0
Administrative Costs Fund	507,630	6,675,200	6,878,966	7,067,695	7,262,791	7,473,155	7,685,899	7,904,733	8,129,832	8,361,376
Maintenance Reserve Fund	0	0	0	0	0	0	0	0	0	0
Surplus Fund	13,131,502	6,987,905	6,584,236	6,455,393	6,379,464	6,179,885	4,457,121	2,685,972	2,682,899	2,675,453
Total Deposits	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079

Actual results may differ from projections contained therein because of unforeseen events, and variations may be material. The Airport Consultant's Letter should be read in its entirety for an understanding of the forecasts and the underlying assumptions.

Rental car demand at the Airport derives from air travel demand at the Airport. A discussion of the underlying forecast development methodology and assumptions is contained in "Forecast Transaction Days" of "APPENDIX A – Airport Consultant's Letter".

The Airport Consultant's Letter states that its forecasts are based on specific assumptions that may not hold true in the future and that actual transaction days may differ materially from the forecasts. A discussion of Forecast Risk Factors is contained in "Forecast Risk Factors" of "APPENDIX A – Airport Consultant's Letter".

INVESTMENT CONSIDERATIONS

The Bonds may not be suitable investments for all persons, and prospective purchasers should be able to evaluate the risks and merits of an investment in the Bonds and should confer with their own legal and financial advisors before considering a purchase of any Bonds. In considering the matters set forth in this Official Statement, prospective investors should carefully review the investment considerations set forth throughout this Official

Statement and specifically consider certain investment considerations associated with the Bonds. The material under this heading is a discussion of some, but not necessarily all, of the possible investment considerations that should be evaluated carefully by prospective purchasers of the Bonds prior to any investment. The order in which such considerations are presented does not necessarily reflect the relative importance of such considerations or the likelihood that any of the events or circumstances described below will occur or exist.

General

Purchasers of the Bonds are advised of certain risk factors with respect to payments of principal and interest on the Bonds.

The remedies available to the Trustee, to the Aviation Board, or to the owners of the Bonds upon an Event of Default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion or delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code) the remedies provided in the Indenture may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

In addition to the risks set forth elsewhere in this Official Statement, the following risk factors should be considered by prospective purchasers of the Bonds.

Remedies

The various legal opinions to be delivered concurrently with the delivery of the Bonds, including the Indenture, will be qualified as to the enforceability of the various legal instruments by limitation imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Considerations Concerning the Rental Car Industry

General

Rental car demand at the Airport, and the number or rental car transaction days to which the Customer Facility Charge will be applied, is correlated to airline passenger travel. The number of rental car transaction days is generally a function of the number of visitor arrivals to the Airport, the ratio of number of rental car transactions divided by number of visitors, and average duration of each rental car transaction. Other factors may include cost of rental cars, alternative means of transportation and availability of rental cars. See “Factors Affecting Customer Facility Charge Transaction Days” below.

Rental Car Companies

Receipts from the collection of the Customer Facility Charge are dependent on the ability of the On-Airport Rental Car Companies to provide a competitive product to potential customers at the Airport. This ability may be affected by factors beyond their control, including the cost and resale value of cars. Competitive factors have limited the profitability of rental car companies in past years, and some rental car companies and franchises have ceased operations or have been acquired by other companies. Prospective purchasers of the Bonds should consider the potential effects of the rental car industry as a whole upon the collections of the Customer Facility Charge to pay debt service on the Bonds.

Factors Affecting Customer Facility Charge Transaction Days

In addition to the number of visitors, other factors affecting the number of Customer Facility Charge transaction days include: (1) visitor characteristics, (2) cost of car rentals, (3) alternative means of transportation, and (4) availability of rental cars. Ride hailing services Uber and Lyft companies currently offer transportation services at the Airport. The continued development of driverless cars may also affect the number of Customer Facility Charge transaction days. The Aviation Board is not able to predict whether any of the factors described herein will negatively impact the number of Customer Facility Charge transaction days.

Considerations Concerning Customer Facility Charges

No assurance can be given that the Customer Facility Charge will actually be received in the amount or at the time contemplated by the Aviation Board. The amount of actual Customer Facility Charge receipts will vary depending on actual levels of rental car customers, which in turn depends on passenger enplanements at the Airport.

Growth of Low Cost Carriers

Low cost carriers (“LCCs”) are carriers that take advantage of an operating cost structure that is significantly lower than the cost structure of the network carriers. These advantages can include lower labor costs, greater labor flexibility, a streamlined aircraft fleet (i.e., fewer different types of aircraft in a given airline’s fleet) and a generally more efficient operation. These low costs suggest that the LCCs can offer a lower fare structure to the traveling public than network carriers while still maintaining profitability. In calendar year 2014, LCCs provided approximately 28% of the airline seat capacity in the U.S. market. As the larger U.S. carriers consolidated and became more focused on capacity discipline, fare increases took hold. LCCs began to emerge in larger markets where passenger levels were high enough for the LCCs to overcome certain barriers to entry caused by the larger carriers such as, for example, control of the majority of airport gates and slots. The cost structure of LCCs allows for lower fares, which has stimulated traffic and driven LCCs into more and larger markets. One result of the consolidation of carriers and their capacity discipline and the associated fare increases is that certain price sensitive travelers were flying less. Recently, these budget conscious flyers have emerged as an underserved segment which has helped to expand the LCC market to include the ultra-low cost carriers, such as Allegiant Air and Spirit Airlines.

Events of Force Majeure

Coastal Louisiana, including New Orleans MSA, is susceptible to hurricanes wherein winds and flooding have from time to time caused significant damage, particularly in the case of Hurricane Katrina. Subsequent to Hurricane Katrina, the U.S. Army Corps of Engineers (“Corps”) undertook a project consisting of the planning, design and construction of a flood protection system to the Metropolitan New Orleans Area. The improvements to the flood protection system, known as the Hurricane and Storm Damage Risk Reduction System (“HSDRRS”), consists of a \$14.5 billion system of levees, floodwalls, and pumps designed to eliminate nearly all flooding from 100-year storm events and significantly reduces flood risks from 500-year storm events. According to data generated by the Corps, a storm more severe than Hurricane Katrina would only cause modest flooding as compared to floods caused by Hurricane Katrina.

A 100-year storm is an event that has a 1% chance of occurring in any given year. The Corps designed the HSDRRS based on computer-generated models of 152 storms of varying paths, speeds, rainfall volumes, intensities, and radius. Based on data derived from these models, the Corps was able to determine the necessary structural specifications to protect Metropolitan New Orleans Area from 100-year storms. The HSDRRS involves a variety of innovative improvements to levees, floodwalls, outfall canals, interim closure structures, and pump stations in and around the Metropolitan New Orleans Area.

The Corps continues to explore further improvements to the HSDRRS in the Metropolitan New Orleans Area, while also working with officials in the Metropolitan New Orleans Area to improve drainage infrastructure as part of the Southeast Louisiana Urban Drainage program, which is critical in protecting the New Orleans MSA from flooding caused by rain-only storm events.

No assurance can be given that the proposed flood protection system improvements will prevent wind and flooding resulting from future significant weather events.

General Airline Industry Factors

The Bonds are payable solely from Pledged Revenues. Pledged Revenues are affected by the levels of aviation activity and enplaned passenger traffic at the Airport and are affected substantially by the economic health of the airline industry and the airlines serving the Airport. Certain factors that may materially affect the Airport and the financial health and viability of the airlines include, but are not limited to, changes in the population and the economic health of the region and nation; airline service and route networks; local, regional, national and

international economic and political conditions; aviation security concerns; changes in demand for air travel; service and cost competition; mergers; the availability and cost of aviation fuel and other necessary supplies; levels of air fares; fixed costs and capital requirements; the cost and availability of financing; the capacity of the national air traffic control system; the capacity of the Airport; competition from other airports; national and international disasters and hostilities; world health concerns; the cost and availability of employees; labor relations within the airline industry; regulation by the federal government; environmental risks and regulations; noise abatement concerns and regulation; passenger frustrations with delays caused by increased security measures; bankruptcy and insolvency laws; acts of war or terrorism; and business travel substitutes, including videoconferencing and web-casting.

Airline Concentration; Effect of Airline Industry Consolidation; Cancellation of Flights by Airlines

In 2005, ten major airlines were flying inside the United States (AirTran Airways, Alaska Airlines, American Airlines, America West, Continental Airlines, Delta Air Lines, Northwest Airlines, Southwest Airlines, United Airlines and U.S. Airways) and accounted for 87.0% of all available seats. Faced with declining profitability because of increases costs of aviation fuel, lower fares brought on by the proliferation of low cost carriers, reduced growth potential in the domestic markets and declining passenger activity based on security concerns, the airlines pursued consolidation. As a result of these consolidations, today there are four major airlines flying inside in the United States of America (American, Delta, Southwest and United), that account for approximately 81% of domestic capacity.

The airline industry continues to evolve as a result of competition and changing demand patterns and it is possible the airlines serving the Airport could consolidate operations through acquisition, merger, alliances and code share sales strategies. Examples of airlines mergers occurring over the last several years include: (a) in 2008, Delta acquired Northwest and its affiliated air carriers, Mesaba, Pinnacle (now known as Endeavor) and Compass; (b) on July 1, 2010, United Airlines and Continental Airlines merged and United Airlines and Continental Airlines began operating as a single airline (under the United brand) in March 2012; (c) on May 2, 2011, Southwest acquired Air Tran, and Southwest and Air Tran began operating as a single airline (under the Southwest brand) in March 2012; and (d) effective December 9, 2013, AMR Corporation, along with its subsidiaries American Airlines and American Eagle, merged with US Airways Group, Inc. As of the date of this Official Statement, none of these mergers have had any material impact on airline service or enplanements at the Airport. While these prior mergers have not had any material impact on airline service and enplanements at the Airport, future mergers or alliances among airlines operating at the Airport may result in fewer flights by one or more airlines.

International Conflict and the Threat of Terrorism

The increased threat of terrorism has had, and may continue to have, a negative impact on air travel. The Aviation Board cannot predict the likelihood of future incidents similar to the terrorist attacks of September 11, 2001, the likelihood of future air transportation disruptions or the impact on the City or the airlines operating at the Airport from such incidents or disruptions.

Structural Changes in the Travel Market

Many factors have combined to alter consumer travel patterns. The threat of terrorism against the United States remain ever present. As a result, the federal government has mandated various security measures that have resulted in new security taxes and fees and longer passenger processing and wait times at airports. Both add to the costs of air travel and make air travel less attractive to consumers relative to ground transportation, especially to short-haul destinations. Additionally, consumers have become more price sensitive. Efforts of airlines to stimulate traffic by heavily discounting fares have changed consumer expectations regarding airfares. Consumers have come to expect extraordinarily low fares. In addition, the availability of fully transparent price information on the internet now allows quick and easy comparison shopping, which has changed consumer purchasing habits. Consumers have shifted from purchasing paper tickets from travel agencies or airline ticketing offices to purchasing electronic tickets over the internet. This has made pricing and marketing even more competitive in the U.S. airline industry. Finally, smaller corporate travel budgets, combined with the higher time costs of travel, have made business customers more amenable to communications substitutes such as tele- and video- conferencing.

Aviation Security and Health Safety Concerns

Concerns about the safety of airline travel and the effectiveness of security precautions, particularly in the context of potential international hostilities and terrorist attacks, may influence passenger travel behavior and air travel demand.

Safety concerns in the aftermath of the terrorist attacks in September 2001 were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have upgraded security measures to guard against future terrorist incidents and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage, and cargo, and deployment of new screening technologies. The airlines and the federal government were primarily responsible for, and bore most of the capital costs associated with, implementing the new security measures.

No assurance can be given that these precautions will be successful. Also, the possibility of intensified international hostilities and further terrorist attacks involving or affecting commercial aviation are a continuing concern that may affect future travel behavior and airline passenger demand.

Public health and safety concerns have also affected air travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (SARS) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, while the United States Centers for Disease Control and Prevention (“CDC”) and the World Health Organization (“WHO”) did not recommend that people avoid domestic or international travel, concerns about the spread of influenza caused by the H1N1 virus reduced international air travel, particularly to and from Mexico and Asia. In 2014, an outbreak of Ebola in West Africa and the discovery of a patient and health care workers infected with Ebola in the United States have again raised concerns about the spread of communicable disease through air travel. In January, 2016, the CDC issued a travel alert warning pregnant women to avoid travel to areas where the Zika virus, which has been linked to a type of birth defect called microcephaly, is spreading, a list that currently includes over 50 countries and territories, primarily in the Caribbean, Central America, South America and certain Pacific Islands.

Effect of Airline Bankruptcies

Since December 2000, numerous airlines have filed for bankruptcy protection including, among others, ATA Airlines (f/k/a American Trans Air), Northwest Airlines, Delta Air Lines, including its subsidiary Comair, Mesaba Airlines, MN Airlines (d/b/a Sun Country Airlines) (which filed for protection twice), US Airways (which filed for protection twice), UAL Corporation, the parent of United Airlines, AMR Corporation, the parent of American Airlines and American Eagle, Air Canada and Frontier Airlines. Some of these airlines have emerged from bankruptcy. Only ATA Airlines, Delta, U.S. Airways, United, American, Frontier, Northwest, and Sun Country operated at the Airport at the time of their respective filings for bankruptcy protection, and each such airline except for Northwest, Sun Country, and ATA Airlines continues to operate at the Airport.

Additional bankruptcies, liquidations or major restructurings of the airlines could occur.

Financial Condition of Airlines Serving the Airport

Over the last decade, all of the major airlines have restructured their route networks and reached agreements with their employees, lessors, vendors and creditors to cut costs, either under Chapter 11 bankruptcy protection (11 U.S.C. §§ 101 et seq.) or the possibility of such. United filed for bankruptcy protection in 2002 before emerging in 2006. Northwest filed for bankruptcy protection in 2005, emerged in 2007 and completed its merger with Delta in 2009. In November 2011, AMR Corporation, the parent of American Airlines, filed for Chapter 11 bankruptcy protection and presented a restructuring plan that envisions cost reductions of \$2 billion by restructuring debt, leases, supplier contracts and employee costs.

The revenues of the airlines serving the Airport may be materially affected by many factors, including (without limitation) those listed under “General Airline Industry Factors” above and the following: technological changes; the cost and availability of employees; strikes and other employee disruptions; the maintenance and

replacement requirements of aircraft; the availability of routes and slots at various airports; litigation liability; and other risks. Historically, the airline industry's results have correlated with the performance of the economy. See "Economic Conditions" below.

Certain airlines or their parent corporations are subject to the information reporting requirements of the Securities Exchange Act of 1934, and as such, are required to file periodic reports, including financial and operational data with the SEC. The SEC maintains a website at www.sec.gov containing reports, proxy and information statements regarding registrants that file electronically with the SEC. In addition, each domestic airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation.

The Aviation Board and Underwriters do not undertake any responsibility for and make representations as to the accuracy or completeness of the content of information available from the SEC or U.S. Department of Transportation, as discussed in the preceding paragraph, including, but not limited to, updates of information on the SEC's internet site or links to other internet sites accessed through the SEC's website.

Financial or operational difficulties by the airlines serving the Airport may directly or indirectly have an adverse impact on the Airport operations and may result in a reduction in the amount of Pledged Revenues.

Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economies. Between 2008 and 2009, the U.S. economy experienced a recession, which was followed by weak economic growth. More recently, the significant improvement in economic conditions in the U.S. has contributed to the rebound in aviation activity levels nationwide. It is not known at this time whether the improving national unemployment rate or the positive rate of national economic growth will continue beyond 2018 and what effect, if any, they will have on the air transportation industry.

Oil Prices

The price of fuel has been a significant cost factor for the airline industry. Although there has been no shortage of aviation fuel since the "fuel crisis" of 1974, there have been significant increases and fluctuations in the price of fuel, and fuel prices reached record highs in 2008. Fuel expenses are one of the airline industry's top costs and, as such, fuel price is an important and uncertain determinant of an air carrier's operating economics. Any increase in fuel prices causes an increase in airline operating costs. According to the A4A, a one-dollar per barrel increase in the price of crude oil equates to approximately \$445 million in annual additional expense for U.S. airlines. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries (OPEC) policy, increased demand for fuel caused by the rapid growth of economies such as those of China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities, and weather. It is not possible to predict whether and to what extent fuel prices will increase and the effect of such increases on the airlines serving the Airport.

Geophysical Events

Volcanoes, earthquakes, and other geophysical events may have a material economic effect on the airline industry, as illustrated by the disruption of Asian travel following the Asian earthquake and tsunami disasters that occurred in March 2011, and the disruption to European and trans-Atlantic air travel resulting from the January 2010 eruption of Eyjafjallajökull volcano in Iceland. Although the economic costs of the Japanese disaster have yet to be quantified, the International Air Transport Association estimated that the Icelandic volcano crisis cost airlines more than \$1.7 billion in revenue for the six days following the initial eruptions. For the three-day period during which disruptions were most significant, lost revenues reached \$400 million per day.

Income Tax Matters

Co-Bond Counsel will opine that interest on the Bonds will not be included in gross income for federal income tax purposes. However, Co-Bond Counsel's opinion is conditioned on continuing compliance by the Aviation Board with representations and covenants of the Aviation Board contained in certain of the financing

documents and certain certificates with respect to arbitrage and other tax matters to be delivered at closing. Failure to comply with the representations and covenants made in those documents and certificates could cause interest on the Bonds to lose the exclusion from gross income for federal income tax purposes retroactive to their date of issue. Furthermore, certain categories of Bondholders may be subject to taxation as discussed under “**TAX EXEMPTION**” herein.

Competition

See brief discussion from Off-Airport Rental Car Companies in “Forecast Risk Factors” of Airport Consultant’s Letter.

Payment Risks

The Bonds may be required to be paid prior to their stated maturity upon redemption (as described under “**THE BONDS**” herein) and upon an acceleration following the occurrence of certain Events of Default under the Indenture. If the Bonds become due upon an acceleration, interest on the Bonds shall cease to accrue on the date of the declaration of acceleration and no premium would be payable.

Secondary Market

There is no guarantee that a secondary trading market will develop for the Bonds. Consequently, prospective purchasers of the Bonds should be prepared to hold their Bonds to maturity or prior redemption. Subject to applicable securities laws and prevailing market conditions, the Underwriters intend, but are not obligated, to make a market in the Bonds.

Failure To Provide Ongoing Disclosure

The Aviation Board will enter into the Undertaking pursuant to the Rule (as such terms are herein defined). Failure to comply with the Undertaking and the Rule may adversely affect the transferability and liquidity of the Bonds and their market price. See “**CONTINUING DISCLOSURE**” herein.

A failure by the Aviation Board to comply with the Undertaking will not constitute an Event of Default under the Indenture (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Forward-Looking Statements

This Official Statement, including the Appendices and the documents incorporated by reference in this document, contain “forward-looking statements,” which generally can be identified with words or phrases such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “foresees,” “may,” “plan,” “predict,” “should,” “will” or other words or phrases of similar import. All statements included in this Official Statement, including the Appendices in this document, that any person expects or anticipates will, should or may occur in the future, including but not limited to, the projections in the Report of the Aviation Consultant, are forward-looking statements. These statements are based on assumptions and analysis made by the Aviation Board in light of its experience and perception of historical trends, current conditions and expected future developments as well as other factors they believe are appropriate in the circumstances. However, whether actual results and developments will conform to expectations and predictions is subject to a number of risks and uncertainties, including, without limitation, the information discussed under this “**INVESTMENT CONSIDERATIONS**” caption in this document as well as additional factors beyond the Aviation Board’s control. The risk factors and assumptions described under such caption and elsewhere in this Official Statement could cause actual results to differ materially from those expressed in any forward-looking statement. All of the forward-looking statements made in this Official Statement and any Appendices in this document are qualified by these cautionary statements. There can be no assurance that the actual results or developments anticipated will be realized or, even if substantially realized, that they will have the expected consequences to or effects on parking revenues or the operations of the Airport. All subsequent forward-looking statements attributable to the Aviation Board or persons acting on its behalf are expressly qualified

in their entirety by the factors and assumptions described above and in any documents containing those forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Aviation Board on the date hereof, and neither the Aviation Board assumes any obligation to update any such forward-looking statements.

The forward-looking statements are necessarily based on various assumptions and estimates that are inherently subject to numerous risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters. See “**TAX EXEMPTION**” herein.

Summary

The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement and the appendices hereto.

LEGAL MATTERS

The Bonds are offered when, as and if issued, subject to approval of legality by Foley & Judell, L.L.P., New Orleans, Louisiana and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel. Certain legal matters will be passed upon by Breazeale, Sachse & Wilson, L.L.P. and Golden Holley James LLP as Co-counsel to the Underwriters. Certain legal matters will be passed upon by the Aviation Board’s Chief Legal Counsel and Deputy Director of Aviation-Legal Affairs, Michele D. Allen-Hart, Esq.

TAX EXEMPTION

The following is a summary of certain United States of America federal income tax consequences of the ownership of the Bonds as of the date hereof. Each prospective investor should consult with such investor’s own tax advisor regarding the application of United States of America federal income tax laws, as well as any state, local, foreign or other tax laws, to its particular situation.

This summary is based on the Code, as well as Treasury regulations and administrative and judicial rulings and practice. Legislative, judicial and administrative changes may occur, possibly with retroactive effect, that could alter or modify the continued validity of the statements and conclusions set forth herein. This summary is intended as a general explanatory discussion of the consequences of holding the Bonds, generally, and does not purport to furnish information in the level of detail or with the investor’s specific tax circumstances that would be provided by an investor’s own tax advisor. For example, it generally is addressed only to original purchasers of the Bonds that are “U.S. holders” (as defined below), deals only with Bonds held as capital assets within the meaning of Section 1221 of the Code and does not address tax consequences to holders that may be relevant to investors subject to special rules, such as individuals, trusts, estates, tax-exempt investors, foreign investors, cash method taxpayers, dealers in securities, currencies or commodities, banks, thrifts, insurance companies, electing large partnerships,

mutual funds, regulated investment companies, real estate investment trusts, FASITs, S-corporations, persons that hold Bonds as part of a straddle, hedge, integrated or conversion transaction, and persons whose “functional currency” is not the U.S. dollar. In addition, except as described below, this summary does not address alternative minimum tax issues or the indirect consequences to a holder of an equity interest in a holder of Bonds.

As used herein, a “U.S. holder” is a “U.S. person” that is a Beneficial Owner of a Bond. A “non-U.S. investor” is a holder (or beneficial owner) of a Bond that is not a U.S. person. For these purposes, a “U.S. person” is a citizen or resident of the United States of America, a corporation or partnership created or organized in or under the laws of the United States of America or any political subdivision thereof (except, in the case of a partnership, to the extent otherwise provided in Treasury regulations), an estate, the income of which is subject to United States of America federal income taxation regardless of its source, or a trust if (i) a United States of America court is able to exercise primary supervision over the trust's administration and (ii) one or more United States of America persons have the authority to control all of the trust's substantial decisions.

In the opinion of Foley & Judell, L.L.P., New Orleans, Louisiana and Auzenne & Associates, L.L.C., New Orleans, Louisiana, as Co-Bond Counsel, under existing law and assuming continuing compliance with covenants of the Issuer and the Corporation designed to meet the applicable requirements of the Code, interest on the Bonds is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of the federal alternative minimum tax and will not be included in corporations' calculations of adjusted current earnings under the alternative minimum tax provisions of the Code.

General

The Code imposes a number of other requirements that must be satisfied in order for interest on state and local obligations, such as the Bonds, to be excluded from gross income for federal income tax purposes. The Aviation Board has covenanted in the Indenture to comply with these requirements in order to maintain the exclusion from gross income of interest on the Bonds for purposes of federal income taxation. Co-Bond Counsel's opinion will assume continuing compliance with those covenants set forth in the Indenture pertaining to those sections of the Code that affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and, in addition, will rely on representations by the Aviation Board with respect to matters solely within their knowledge which Co-Bond Counsel has not independently verified. If the Aviation Board should fail to comply with the covenants in the Indenture or the Agreement, as the case may be, or if the foregoing representations should be determined to be inaccurate or incomplete, interest on the Bonds could become included in gross income for federal income tax purposes retroactive to the date of delivery of the Bonds regardless of the date on which the event causing such incurability occurs.

Although Co-Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes, the accrual or receipt of interest on the Bonds may otherwise affect the federal income tax liability of the recipient. The extent of those other tax consequences will depend on the recipient's particular tax status or other items of income or deduction. Owners of the Bonds should be aware that the ownership of tax-exempt obligations, such as the Bonds may result in collateral federal income tax consequences to certain taxpayers. Furthermore, future law and/or regulations enacted by federal, state or local authorities may affect certain owners of the Bonds.

Except as stated above, Co-Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds.

Prospective purchasers of the Bonds are advised to consult their own tax advisors prior to any purchase of the Bonds as to the impact of the federal, state and local consequences of acquiring, holding or disposing of the Bonds.

Qualified Gulf Opportunity Zone Bonds

IRS Notice 2012-3 applies to any current refunding issue that is used (directly or indirectly in a series of current refunding issues) to refund Qualified Gulf Opportunity Zone Bonds under §1400N of the GO Zone Act (“GO Zone Bonds”) of the Code referred to as “Qualified Bonds”.

The Series 2009 CFC Bonds are original Qualified Bonds that were issued before the deadline for the issuance of such bonds under §1400N(a)(2)(D) for GO Zone Bonds. The Bonds are designated and issued as “Qualified Gulf Opportunity Zone Bonds” in accordance with IRS Notice 2012-3 and satisfy the following requirements:

- The “issue price” of the Bonds is no greater than the outstanding stated principal amount of the Series 2009 CFC Bonds; however, since the Series 2009 CFC Bonds were originally issued with more than a de minimis amount of original issue premium, the present value of the Series 2009 CFC Bonds is used in lieu of the outstanding stated principal amount to determine the maximum issue price of the Bonds.
- The Bonds otherwise meet all applicable requirements for the issuance of tax-exempt private activity bonds as Qualified Bonds, including without limitation, the requirement that the average maturity of the Bonds are no longer than 120 percent of the average reasonably expected economic life of the Consolidated Facility refinanced with the net proceeds of the Bonds.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein. In addition, such legislation (whether currently proposed, proposed in the future or enacted) could affect the market value or marketability of the Bonds. For example, negotiations between the Executive and Legislative Branches of the United States government regarding the federal budget may result in the enactment of tax legislation that could significantly reduce the benefit of, or otherwise affect, the exclusion of gross income for federal income tax of interest on all state and local obligations, including the Bonds. It cannot be predicted whether or in what form any such proposals might be enacted or whether if enacted such proposals would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Prospective purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending or proposed federal or state tax legislation, regulations or litigation.

THE FOREGOING DISCUSSION OF CERTAIN FEDERAL AND STATE INCOME TAX CONSEQUENCES IS PROVIDED FOR GENERAL INFORMATION ONLY. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES TO THEM IN LIGHT OF THEIR OWN PARTICULAR INCOME TAX POSITION, OF ACQUIRING, HOLDING OR DISPOSING OF THE BONDS.

Tax Treatment of Premium

The Bonds maturing January 1, 2025 through January 1, 2038 (collectively the “*Premium Bonds*”) are offered and sold to the public at a premium. The premium is the excess of the issue price over the stated redemption price at maturity and must be amortized on an actuarial basis by the owner of the Premium Bonds from the date of acquisition of the Premium Bonds through the maturity date thereof. The premium is not deductible for federal income tax purposes, and owners of the Premium Bonds sold at a premium are required to reduce their basis in such Premium Bonds by the amount of premium that accrued while they owned such Premium Bonds. Owners of the Premium Bonds should consult their own tax advisors as to the federal income tax purposes of the amount of premium purposes of determining the taxable gain or loss upon the sale or other disposition of the Premium Bonds (prior to maturity and at maturity), and all other federal tax consequences and any state and local tax aspects of owning the Premium Bonds.

Tax Treatment of Original Issue Discount

The Bonds maturing January 1, 2039 and January 1, 2040 (“*OID Bonds*”), are sold to their original owners at a discount. The difference between the initial public offering prices and their stated amounts constitutes original issue discount treated as interest which is excluded from gross income for federal income tax purposes and which is exempt from all present State taxation subject to the caveats and provisions described herein.

Owners of OID Bonds should consult their own tax advisors with respect to the determination for federal income tax purposes of original issue discount accrued with respect to such OID Bonds as of any date, including the date of disposition of an OID Bond and with respect to the state and local consequences of owning OID Bonds.

Qualified Tax-Exempt Obligations for Financial Institutions

Section 265(a) of the Code provides, in pertinent part, that interest paid or incurred by a taxpayer, including a “financial institution,” on indebtedness incurred or continued to purchase or carry tax-exempt obligations is not deductible by such taxpayer in determining taxable income. Section 265(b) of the Code provides an exception to the disallowance of such deduction for any interest expense paid or incurred on indebtedness of a taxpayer which is a “financial institution” allocable to tax-exempt obligations, other than “private activity bonds,” which are designated by an Aviation Board as “qualified tax-exempt obligations.” Section 265(b)(5) of the Code defines the term “financial institution” as referring to any corporation described in Section 585(a)(2) of the Code, or any person accepting deposits from the public in the ordinary course of such person’s trade or business which is subject to federal or state supervision as a financial institution.

The Bonds will not be designated by the Aviation Board as “qualified tax-exempt obligations” within the meaning of Section 265(b) of the Code.

Louisiana Taxes

In the opinion of Co-Bond Counsel, interest on the Bonds is exempt from all taxation for state, parish, municipal or other purposes in the State of Louisiana.

No Other Opinions

Except as stated above, Co-Bond Counsel will express no opinion as to any federal, state or local tax consequences resulting from the ownership of, receipt of, interest on or disposition of the Bonds.

RATINGS

Moody’s Investors Service, Inc. (“*Moody’s*”) and S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“*S&P*”) have assigned their long-term ratings of “Baa1” and “A” respectively, to the Bonds. Moody’s and S&P have assigned their insured ratings of “A2” (Stable Outlook) and “AA” (Stable Outlook), respectively, to the Bonds with the understanding that, upon delivery of the Bonds, the Policy guaranteeing the scheduled payment of principal of and interest on the Bonds when due will be issued by AGM.

Such ratings reflect only the views of such organizations and are not a recommendation to buy, sell or hold the Bonds and may be subject to revision or withdrawal at any time. Any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses:

Moody’s Investors Service, Inc.
7 World Trade Center at 250 Greenwich Street
New York, New York 10007
Telephone: (212) 553-0300

S&P Global Ratings
55 Water Street
New York, New York 10041
Telephone: (212) 438-2076

Generally a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of such ratings agencies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Citigroup Global Markets Inc., as Senior Managing Underwriter, and Backstrom McCarley Berry & Co., L.L.C., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Raymond James & Associates, Inc., and Siebert Cisneros Shank & Co., L.L.C., as Co-Managers (collectively, “*Underwriters*”) at an aggregate purchase price of \$89,452,628.65 (consisting of the \$82,565,000.00 principal amount of the Series 2018 Bonds, plus net original issue premium of \$6,887,628.65). The Bond Purchase Agreement (“*Purchase Agreement*”) between the Underwriters and the Aviation Board provides that the Underwriters will purchase all of the Bonds if any are purchased. The obligation of the Underwriters to accept delivery of the Bonds is subject to various conditions contained in the Purchase Agreement. The Issuer will pay the Underwriter from available funds of the Issuer, \$235,429.97 as compensation with respect to the purchase of the Bonds.

The Underwriters intend to offer the Bonds to the public initially at the offering prices set forth on the inside cover page of this Official Statement, which may subsequently change without any requirement of prior notice. The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriters may offer and sale the bonds to certain dealers at prices lower than the public offering price. In connection with this offering, the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail on the open market. Such stabilizing, if commenced, may discontinued at any time.

Citigroup Global Markets Inc., (“*CGMI*”), an underwriter of the Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, “*Fidelity*”) for the distribution to retail investors of certain municipal securities offerings. CGMI will share a portion of its underwriting compensation with Fidelity with respect to any Bonds that are allocated to retail orders submitted by it. Any such sharing will not affect the aggregate underwriting compensation set forth or CGMI’s share of such compensation.

Backstrom McCarkley Berry & Co., L.L.C. (“*BMcB*”), one of the Underwriters, has entered into separate distribution agreements (each a “*Distribution Agreement*”) with UMB Financial Corp (“*UMB*”), and Hilltop Securities (“*Hilltop*”) that enables each distributor to distribute certain new issue municipal securities underwritten by or allocated to BMcB, which could include the Bonds. Under these Distribution Agreements, BMcB may share with UMB and Hilltop a portion of the fee or commission paid to BMcB.

The current business of Merrill Lynch, Pierce, Fenner & Smith Incorporated (“*MLPF&S*”) is being reorganized into two affiliated broker-dealers (i.e., MLPF&S and BofAML Securities, Inc.) in which BofAML Securities, Inc. will be the new legal entity for the institutional services that are now provided by MLPF&S. This transfer is expected to occur on or around October 29, 2018 (the “*Transfer Date*”). MLPF&S, an underwriter of the Bonds, will be assigning its rights and obligations as an underwriter to BofAML Securities, Inc. in the event that the settlement date for the Bonds occurs on or after the Transfer Date. For those Bonds that settle after the Transfer Date, the Bonds may be distributed by BofAML Securities, Inc. to MLPF&S pursuant to a distribution agreement between BofAML Securities, Inc. and MLPF&S. MLPF&S may in turn distribute the Bonds to investors. As part of this arrangement, BofAML Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Siebert Cisneros Shank & Co., L.L.C. (formerly known as Siebert Brandford Shank & Co., L.L.C.) has entered into a separate agreement with Muriel Siebert & Co. for retail distribution of certain securities offerings, at the original issue prices. Pursuant to this distribution agreement, if applicable to the Bonds, Muriel Siebert & Co. will purchase Bonds at the original issue price less the selling concession with respect to any Bonds that such entity sells. Siebert Cisneros Shank & Co., L.L.C. will share a portion of its underwriting compensation with Muriel Siebert & Co.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Aviation Board for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (other related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Aviation Board.

VERIFICATION OF COMPUTATIONS

Concurrently with the delivery of the Bonds, the Aviation Board will obtain a verification report from Terminus Analytics, LLC that the funds required to be irrevocably deposited in trust in the Escrow Fund are sufficient for the payment of the principal, premium, if any, and interest on the Series 2009 CFC Bonds on the redemption date of January 1, 2019.

CONTINUING DISCLOSURE

General

The Aviation Board will enter into an undertaking (“*Undertaking*”) for the benefit of the owners of the Bonds to file, so long as the Bonds are outstanding, no later than two hundred ten (210) days after the end of the Aviation Board’s fiscal year certain financial information and operating data annually and upon the occurrence of certain events, notice of certain events, in each case with the Municipal Securities Rulemaking Board (“*MSRB*”) electronically through MSRB’s Electronic Municipal Market Access system (“*EMMA*”).

The specific nature of the information to be contained in the Annual Report or notices of material events is set forth in “**APPENDIX H – Form of Continuing Disclosure Certificate**”, pursuant to the requirement of Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 (17 C.F.R. Part 240, §140.15c2-12) (“*Rule*”).

A failure by the Aviation Board to comply with the Undertaking will not constitute an Event of Default under the Indenture (although Bondholders will have any available remedy at law or in equity). Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Prior Undertakings

The Aviation Board has entered into prior undertakings (“*Prior Undertakings*”) for the benefit of the owners of all bonds issued under (i) the General Revenue Bond Trust Indenture, as supplemented through and including the Fourth Supplemental Trust Indenture dated as of October 1, 2007, (ii) the PFC General Revenue Bond Trust Indenture dated as of November 1, 2007, by and among the Aviation Board, the City, and the Trustee, and (iii) the Indenture, including any refundings of the foregoing. The Prior Undertakings require the Aviation Board to provide certain financial information and operating data annually and upon the occurrence of certain listed events, notice of certain listed events, in each case with the MSRB electronically through EMMA.

The following summarizes the Aviation Board’s understanding with respect to non-compliance with such Prior Undertakings.

The Audited Financial Statement for the Fiscal Year ended December 31, 2011 was not filed with EMMA within eight (8) months after the end of Fiscal Year ended December 31, 2011, but was filed (a) on October 1, 2012

with respect to (i) the Series 2009 CFC Bonds, and (ii) the New Orleans Aviation Board Revenue Refunding Bonds (Restructuring GARBS), Series 2009A-1 ("*Series 2009A-1 Bonds*"), Series 2009A-2 ("*Series 2009A-2 Bonds*"), Series 2009B ("*Series 2009B Bonds*") and Series 2009C ("*Series 2009C Bonds*"), and (b) on December 18, 2012 with respect to (i) the Series 2007 PFC Bonds, (ii) the New Orleans Aviation Board Revenue Refunding Bonds (Passenger Facility Charge Projects), Series 2007B-1 ("*Series 2007B-1 Bonds*") and Series 2007B-2 ("*Series 2007B-2 Bonds*"), (iii) the New Orleans Aviation Board Gulf Opportunity Zone Revenue Bonds (Passenger Facility Charge Projects), Series 2010A ("*Series 2010A Bonds*"), and (iv) the New Orleans Aviation Board Revenue Bonds (Passenger Facility Charge Projects), Series 2010B ("*Series 2010B Bonds*"). As a result of the foregoing, during the five years preceding the date of this Official Statement ("Compliance Period"), the Aviation Board inadvertently failed to comply with the requirement to provide certain financial information required under the Prior Undertakings with respect to such bonds with EMMA in a timely manner.

Certain operating data with respect to the Series 2007 PFC Bonds, the Series 2007B-1 Bonds, the Series 2007B-2 Bonds, the Series 2009 CFC Bonds, the Series 2009A-1 Bonds, the Series 2009A-2 Bonds, the Series 2009B Bonds, the Series 2009C Bonds, the Series 2010A Bonds, the Series 2010B Bonds and the Series 2015 Bonds was inadvertently not timely submitted by the Aviation Board to EMMA during the Compliance Period; however, as of the date of this Official Statement, all such filings have been filed with EMMA. In addition, certain quarterly reports relating to the Series 2009 CFC Bonds were inadvertently not timely submitted by the Aviation Board to EMMA during the Compliance Period; however, as of the date of this Official Statement, all such reports have been filed with EMMA.

During the Compliance Period, the Aviation Board inadvertently failed to provide notice to EMMA or its predecessors with respect to downgrades of insurers relating to the Series 2007 PFC Bonds, the Series 2009A-1 Bonds and the Series 2009A-2 Bonds. As of the date of this Official Statement, all such notices have been filed with EMMA.

THE FOREGOING DESCRIPTION OF INSTANCES OF NON-COMPLIANCE BY THE AVIATION BOARD WITH PRIOR UNDERTAKINGS SHOULD NOT BE CONSTRUED AS AN ACKNOWLEDGMENT THAT ANY SUCH INSTANCE WAS MATERIAL.

The Aviation Board has established procedures to ensure proper filing of the reports and notices required by the Continuing Disclosure Certificate and its Prior Undertakings with the MSRB in the future. Furthermore, Act 463 of the 2014 Regular Session of the Louisiana Legislature, effective August 1, 2014, provides additional procedures designed to ensure compliance with the Continuing Disclosure Certificate by (i) requiring public entities, such as the Aviation Board, to keep certain records demonstrating compliance with the Continuing Disclosure Certificate, and (ii) mandating the Aviation Board's auditor, as part of the preparation of the Aviation Board's annual financial audit, review the Aviation Board's compliance with its continuing disclosure undertakings and record keeping requirements.

MUNICIPAL ADVISOR

Frasca & Associates, LLC ("*Municipal Advisor*") serves as independent registered municipal advisor to the Aviation Board on matters relating to debt management. The Hackett Group serve as subcontractors to the Municipal Advisor. The Municipal Advisor has provided advice as to the plan of financing and the structuring of the Bonds and has reviewed and commented on certain legal documentation, including the Official Statement. The advice on the plan of financing and the structuring of the Bonds was based on materials provided by the Aviation Board and other sources of information believed to be reliable. The Municipal Advisor has not audited, authenticated or otherwise verified the information provided by the Aviation Board or the information set forth in this Official Statement or any other information available to the Aviation Board with respect to the appropriateness, accuracy or completeness of disclosure of such information or other information and no guarantee, warranty or other representation is made by the Municipal Advisor respecting the accuracy and completeness of or any other matter related to such information contained in this Official Statement.

LITIGATION

There is not now pending, or to the knowledge of the Aviation Board, threatened, any litigation against the Aviation Board restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or Aviation Board under which they are issued. Neither the creation, organization or existence, nor the title of the present trustees and officers of the Aviation Board to their respective office, is being challenged or questioned. There is no litigation pending, or to the knowledge of the Aviation Board, threatened, against the Aviation Board which in any manner questions the right of the Aviation Board to enter into the Indenture or to secure the Bonds in the manner provided in the Indenture or to issue the Bonds in the manner provided in the Indenture and the Act or wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions under the Indenture or in any agreement or instrument to which the Aviation Board is a party, to be used or contemplated for use in the consummation of the transactions contemplated by the Indenture.

CERTIFICATION AS TO OFFICIAL STATEMENT

At the time of payment and delivery of the Bonds, the Aviation Board will furnish the Underwriters certificates signed by an Authorized Representative of the Aviation Board to the effect that: (i) the descriptions and statements, including financial data, of or pertaining to the Aviation Board on the date of the Official Statement, on the date of the sale of the Bonds and on the date of the delivery thereof, were and are true in all material respects, and, insofar as such matters are concerned, the Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, (ii) insofar as the descriptions and statements, including financial data, of or pertaining to governmental and/or non-governmental entities other than the Aviation Board and their activities contained in the Official Statement are concerned, such descriptions, statements, and data have been obtained from sources which the Aviation Board believed to be reliable and the Aviation Board has no reason to believe that they are untrue or incomplete in any material respect, and (iii) there has been no material adverse change in the affairs of the Aviation Board between the date of the Official Statement and the date of delivery of the Bonds.

MISCELLANEOUS

The Aviation Board has provided information herein relating to the Aviation Board. DTC has furnished the information herein relating to DTC. The Underwriters have furnished the information herein relating to the Underwriter. The Aviation Board has furnished the information herein relating to the Aviation Board.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any such statements will be realized. This Official Statement is not to be construed as a contract or agreement between the Aviation Board, the Aviation Board, the Underwriter, or the Trustee and owners of the Bonds.

References herein and the summaries of the Indenture, the Concession Agreement, and the Facilities Lease and certain other documents are brief discussions of certain provisions thereof. Such discussions do not purport to be complete, and reference is made to such documents for full and complete statements of such provisions.

NEW ORLEANS AVIATION BOARD

By: /s/ Cheryl Teamer
Cheryl Teamer, Chairwoman

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APPENDIX A
AIRPORT CONSULTANT'S LETTER

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Chicago, IL 409 W. Huron, Ste. 400
St. Louis, MO Chicago, IL 60654
Orange County, CA p. 312.988.3360
f. 312.988.3370

October 1, 2018

Mr. Kevin Dolliole
Director of Aviation
New Orleans Aviation Board
Louis Armstrong New Orleans International Airport
P.O. Box 20007
New Orleans, LA 70141

**Subject: Gulf Opportunity Zone CFC Revenue Refunding Bonds
(Consolidated Rental Car Facility Project), Series 2018**

Dear Mr. Dolliole:

Unison Consulting, Inc. (Unison) is pleased to submit this Airport Consultant's Letter (Letter) in support of the issuance of *New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Refunding Bonds, Series 2018* (the Series 2018 CFC Bonds). The Series 2018 CFC Bonds are being issued to currently refund the outstanding Gulf Opportunity Zone CFC Revenue Bonds, Series 2009 (the Series 2009 CFC Bonds). As discussed below, Unison was retained by the New Orleans Aviation Board (NOAB) to prepare a forecast of rental car transaction days, in order to determine the sufficiency of projected rental car Customer Facility Charge Revenues to pay the annual debt service requirements of the Series 2018 CFC Bonds, to meet the Rate Covenant Requirement, and to meet all other financial obligations specified in the bond documents governing the issuance of the Series 2018 CFC Bonds.

The Series 2009 CFC Bonds were issued to finance the costs of the following capital improvements at the Louis Armstrong New Orleans International Airport (MSY or the Airport): (i) a multi-story garage providing approximately 1,800 ready/return vehicle parking spaces and a customer service building that includes a customer service lobby, restrooms, customer service counter space, rental car company administrative office space, electrical utility room, and escalators and elevators that allow customer access to each level of the ready/return multi-level garage (the Consolidated Rental Car Facility, or CONRAC) and (ii) rental car service areas (the Service Centers) used for vehicle cleaning and preparation. The CONRAC and the Service Centers are collectively referred to as the Consolidated Facility. The Consolidated Facility was developed to combine all rental car operations at the Airport into one location. The Consolidated Facility was designed to improve customer service, to help relieve traffic congestion in terminal roadways and parking garage areas, and to increase overall Airport efficiency.

I. Governing Bond Documents

The Bond Documents governing the issuance of the Series 2018 CFC Bonds include the CFC Resolution, the CFC Indenture, the Concession Agreements, and the Facilities Leases. The Bond Documents are described below.

A. CFC Resolution

On July 16, 2008, the NOAB adopted a resolution to establish and impose the Customer Facility Charge, or CFC (the CFC Resolution), which was amended by the NOAB on October 15, 2008. The CFC Resolution, as amended, requires that all rental car companies operating on Airport property (the On-Airport Rental Car Companies, or RACs) collect the CFC,

effective November 1, 2008, at a rate of \$5.50 per Transaction Day.¹ On May 13, 2009 the CFC Resolution was amended and restated to increase the CFC rate to \$6.20 per Transaction Day, effective June 1, 2009. On May 19, 2016 the NOAB adopted a resolution to increase the CFC by \$1.75 per Transaction Day effective July 1, 2016. The RACs are required to remit the CFC collections to the NOAB monthly. The total CFC level is currently \$7.95.

The CFC level may be adjusted by the NOAB from time to time by resolution. In addition, the Director of Aviation has the authority to adjust the CFC to a level sufficient to (i) satisfy “any rate covenants in any applicable bond indentures, resolutions, or other agreements”; and (ii) “meet all of the Board’s obligations and/or covenants in any applicable bond indentures, resolutions, or other agreements relating to the CONRAC or the CFC.” The main documents that are applicable to this provision are the CFC Indenture, the Concessions Agreements, and the Facilities Leases, which are described below.

B. CFC Indenture

The Series 2018 CFC Bonds constitute limited and special obligations of the NOAB payable solely from, and secured by, the Trust Estate pledged and assigned to the Trustee by the NOAB under the Restated Customer Facility Charge Master Revenue Bond Trust Indenture (the CFC Indenture). The Trust Estate includes (i) CFC Revenues and any Supplemental Facility Charges, including Contingent Rent (collectively referred to as “Revenues”); (ii) the Pledged Funds; and (iii) all right, title, and interest of the NOAB in and to the Facilities Leases and all amounts due pursuant thereto by the RACs to the NOAB other than Ground Rentals, but including Revenues. Pledged Funds means collectively the CFC Collection Account, the Construction Fund, the Debt Service Fund, and the Debt Service Accounts and any Debt Service Reserve Accounts, the Coverage Fund, and the Surplus Fund.

The CFC Indenture contains a provision known as the Rate Covenant, which states that the NOAB covenants to establish and adjust the CFC so that CFC collections for each Bond Year² together with the other amounts included in Revenues for the next Bond Year, together with the amounts then on

¹ A “Transaction Day” is defined in the CFC Resolution, as amended, as “a twenty-four (24) hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term.”

² A “Bond Year” is defined in the CFC Indenture to coincide with a calendar year (January 1 through December 31).

deposit in the Coverage Fund, will at least equal the Rate Requirement for such Bond Year. The CFC Indenture defines the Rate Requirement as the following:

“that Revenues must equal at least both (i) CFC Costs³ and (ii) calculated separately an amount equal to 135% of Aggregate Debt Service for the applicable Bond Year after taking into account the amounts in the Coverage Fund which do not exceed 25% of Maximum Annual Debt Service on the last Business Day of ninth (9th) calendar month of any Bond Year with respect to the next ensuing Bond Year...”

Under the CFC Indenture, the NOAB has covenanted the following with respect to the sufficiency of projected CFC Revenues to meet the Rate Requirement:

1. At least 120 days prior to the end of each Bond Year the NOAB will estimate CFC Revenues and CFC Costs for the next Bond Year and determine whether the Rate Requirement was met for the then current Bond Year and will be met for the next succeeding Bond Year. If the NOAB projects that CFC Revenues for the next succeeding Bond Year will not be sufficient to meet the Rate Requirement without increasing the CFC level (a CFC Deficit), the NOAB will engage an Independent Airport Consultant to recommend actions to cure the projected CFC Deficit.
2. If an Independent Airport Consultant is engaged, at least 90 days prior to the end of the Bond Year, the Independent Airport Consultant will prepare the Rate Consultant’s Report recommending (i) an increase in the per-Transaction Day CFC rate, (ii) the implementation of Contingent Rent, (iii) the imposition of Supplemental Facility Charges, or (iv) any combination thereof. If the Independent Airport Consultant determines that the required increase in the CFC rate will result in a reduction in annual transaction days greater than 25 percent, the Independent Airport Consultant will recommend the implementation of Contingent Rent or a combination of Contingent Rent, Other Supplemental Facility Charges, and an increase in the CFC rate. At least 60 days prior to the end of each Bond Year, the RACs must provide notice in writing of any objections to the Report of the Independent Airport Consultant. The Director or the NOAB as appropriate pursuant to the CFC Resolution shall make a final determination of the plan to fund the CFC Deficit for the next Bond Year.
3. An interim report shall be prepared by the Independent Airport Consultant if (i) there is an unscheduled draw of the Coverage Fund or any Debt Service Reserve Account, or (ii) the

³ The CFC Indenture defines “CFC Costs” as the following costs that are intended to be paid with or recovered from CFC Revenues: (i) the annual debt service on the CFC Bonds and any other bonds secured by CFC Revenues; (ii) annual Administrative Costs, including the CONRAC Busing Costs; (iii) deposits to the Maintenance Reserve Fund, if any, needed to meet the Maintenance Reserve Fund Requirement; (iv) deposits to the Coverage Account, if any, needed to meet the Coverage Account Requirement; and (v) any required deposits to the funds and accounts established pursuant to the CFC Indenture.

actual monthly CFC Costs exceed by 10 percent or more the monthly projected CFC Costs or (iii) the monthly CFC Revenues actually received were 90 percent or less of the monthly amounts projected for such Bond Year for three consecutive months, the latest of which is within the first eight months of the Bond Year. Based on the interim Report of the Independent Consultant, the Director of Aviation shall adjust the CFC rate, impose or increase Contingent Rent and/or Supplemental Facility Charges or a combination thereof for the remainder of the Bond Year so that Revenues for the current Bond Year together with the amounts then on deposit in the Coverage Fund which do not exceed 25% of Maximum Annual Debt Service, will at least equal the Rate Requirement for the current Bond Year plus the amount necessary to replenish the Coverage Fund or the respective Debt Service Reserve Accounts for the amounts transferred to the applicable Debt Service Accounts.

C. Concession Agreements

The Car Rental Concession Agreements (Concession Agreements) executed by the RACs with the City acting through the NOAB establishes a car rental concession (Concession) which binds the RACs to provide the Concession at the Airport. The Concession solely includes the rental of motor vehicles to the public at the Airport and related activities and permits the RACs to operate rental car concessions from the Consolidated Facility. For each one-year period beginning on the first day that the Concession Agreements are executed (the Commencement Date) and ending on each anniversary (*Contract Year*), each RAC agrees to pay to the NOAB a Concession Fee equal to the greater of (i) an amount equal to ten percent (10%) of Gross Revenue (Percentage Fee) or (ii) a Minimum Annual Guarantee (MAG) in an amount currently equal to eighty percent (80%) of the Percentage Fee paid by the RAC in the prior Contract Year. The MAG in any Contract Year may never be reduced below the MAG for the prior Contract Year.

The RACs are also required by the Concession Agreement to collect and remit the CFC at the per-Transaction Day level established, and amended from time to time, pursuant to the CFC Resolution. In addition, the RACs are obligated to certain rental amounts pursuant to the provisions of the Facilities Leases, as described below.

The Concession Agreements are scheduled to expire on the tenth (10th) anniversary of the date of beneficial occupancy (DBO) of the CONRAC, which was January 2013. Therefore, the Concession Agreements will expire in January 2023.

D. Facilities Leases

The Facilities Leases determine and govern an On-Airport Company's portion (Exclusive Use Premises) of the Consolidated Facility used by such On-Airport Company within the Service Center and also govern an On-Airport Company's allocated rental car counter space and Ready/Return spaces within the CONRAC.

The Facilities Leases require each RAC to collect and remit to the NOAB the CFC as required pursuant to the CFC Resolution. The amount of the CFC collected and remitted by a RAC for each Transaction Day must be based on the established CFC rate, which is the same for all RACs (those

companies operating from the CONRAC). The CFC rate may be changed from time to time by the Director as required without further action by the NOAB or the City Council and may be changed by the NOAB. Under these circumstances, Revenues could be increased, through an increase in the CFC rate and/or increases in Supplemental Facility Charges, including Contingent Rent, as required by the Rate Covenant and the Bond Documents. The amount of the CFC must be established by the Director or the NOAB in accordance with the CFC Resolution and the CFC Indenture.

In consideration for the use of the Consolidated Facilities, the RACs will be obligated under the provisions of the Facilities Leases to pay the following rentals to the NOAB:

1. Ground Rentals for each RAC's prorated share of the ground used for the site of the CONRAC, calculated as the percentage obtained by dividing the square footage of each RAC's exclusive use premises in the CONRAC by the total square footage of all premises in the CONRAC;⁴
2. Ground Rentals for each RAC's share of the ground used for its Service Center (paid in conjunction with the other RACs, if any, in the same family of brands occupying its assigned Service Center);
3. Contingent Rent, which will be assessed by the NOAB under certain circumstances. At least 120 days prior to the end of each Bond Year, the NOAB shall calculate the estimated CFC Revenues and the CFC Cost for the next Bond Year. If the NOAB determines that there will be a CFC Deficit for the next Bond Year, the NOAB will engage an Independent Airport Consultant to develop a recommended plan to fund the estimated CFC Deficit – by raising the CFC rate, imposing Contingent Rent, or a combination of both. The Independent Airport Consultant shall prepare the Rate Consultant's Report at least 90 days prior to the end of the Bond Year. The process, including notification to the RACs, required in the imposition of Contingent Rent, is detailed in the Facilities Lease.

Under the terms of the Facilities Leases, an entity was selected (the Manager), which is responsible for paying the operation and maintenance expenses (O&M Expenses) related to the common areas of the CONRAC. Each RAC is responsible for the expenses associated with the operation and maintenance of its exclusive use premises in the CONRAC and in its assigned Service Center.

The Facilities Leases are scheduled to expire on the tenth (10th) anniversary of the date of beneficial occupancy (DBO) of the CONRAC, which was January 2013. Therefore, the Facilities Leases will expire in January 2023.

II. North Terminal Project

The North Terminal Project consists of a new passenger terminal (the North Terminal) on the North side of the Airport and necessary related improvements, such as aircraft aprons, a central utility

⁴ Ground Rentals are not included in the Trust Estate.

plant, a parking garage, parking spaces in surface lots, on-site roadway systems and associated ground transportation facilities, and associated enabling projects such as navigational equipment and airfield lighting vault relocations. The new passenger terminal will have 35 airline gates and will consist of over 900,000 square feet of space and is expected to be open and available for occupancy in the first half of 2019. The existing terminal facility on the South side of the Airport (the South Terminal) consists of approximately 1,200,000 square feet of space, which includes four Concourses (A, B, C, and D) and 42 gates. The NOAB anticipates that the South Terminal area will be redeveloped and repurposed upon completion and opening of the North Terminal.

The relocation of the main terminal to the North side of the Airport will require rental car customers be shuttled between the new North Terminal and the CONRAC, which is located within walking distance of the South Terminal. The design of the East Garage Facility under construction by the Parking Facilities Corporation includes a dedicated shuttle bus driveway located on the western portion of the East Garage Facility between the North Terminal and the East Garage Facility. This dedicated driveway will be used by customers of the CONRAC shuttles. Shuttle operations respectively for the East Garage Facility and the Consolidated Facility will have a separate drop-off and pick-up area for their respective customers. Each area will have a canopy to provide protection from the sun and inclement weather.

The RACs have entered into a Rental Car Shuttle Bus Management Agreement (CONRAC Shuttle Bus Agreement) providing the terms and conditions under which the RACs are authorized and permitted to provide shuttle services between the CONRAC and the North Terminal. The CFC Indenture provides that the cost of such shuttle services is an administrative cost that will be paid by the Trustee from CFC Revenues deposited to the Administrative Cost Fund under the provisions of the CFC Indenture.

III. Economic Base

Demographic and economic trends influence the demand for air travel at MSY. Trends in the Airport's air service area, the state of Louisiana, and the nation influence the demand for air travel at the Airport, particularly the origin and destination (O&D) segment that constitutes more than 90 percent of the Airport's passenger traffic. Regional trends influence (1) the ability of local residents to travel, and (2) the attractiveness of the New Orleans area as a travel destination for visitors. National trends influence both regional and national demand for air travel. This section discusses relevant local demographic and economic trends in the Airport's air service area, in comparison with trends in Louisiana and the United States.

A. Air Service Area

The Airport is located approximately 14 miles west of the New Orleans Central Business District in Jefferson Parish, with a small portion located in an unincorporated area in St. Charles Parish. The Airport's primary air service area is the New Orleans-Metairie-Kenner, LA, metropolitan statistical area (the New Orleans MSA), which consists of eight parishes (equivalent to "counties" in other states) in Louisiana: Jefferson, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, and St. Tammany. The principal cities of the New Orleans MSA are New Orleans and

Metairie. A map of the MSY air service area and locations of airports within a three-hour driving radius of MSY is presented in the Official Statement.

Because MSY is the state's largest commercial service airport, the Airport's market reach extends beyond the New Orleans MSA to other parts of Louisiana as well as parts of neighboring Mississippi. Although there are six other commercial service airports in Louisiana, none of them offer the level and type of commercial air service that would create significant competition for MSY. Baton Rouge Metropolitan Airport (BTR), located 78 miles northwest of MSY in East Baton Rouge Parish, is the largest of the six other commercial service airports in Louisiana. BTR is a small hub airport with 386,987 enplanements in 2017 (approximately 6 percent of MSY's enplanements).⁵

Outside Louisiana, there are two primary commercial service airports within a 200-mile drive from MSY: (1) Gulfport-Biloxi International Airport (GPT) in Gulfport, Mississippi (75 miles from MSY), and (2) Jackson-Evers International Airport (JAN) in Jackson, Mississippi (180 miles from MSY). Both airports are also significantly smaller than MSY. Classified as small hub airports, GPT had 333,087 enplanements and JAN had 455,267 enplanements in 2017.⁶

Since no other commercial airport in Louisiana and its neighboring state, Mississippi, provides as comprehensive service as MSY, the Airport's market reach easily extends beyond its primary Air Service Area, the New Orleans MSA, to the rest of Louisiana and areas halfway between MSY and the following nearest major commercial service airports:

- Houston's George Bush Intercontinental Airport (348 road miles from MSY) and William P. Hobby Airport (340 road miles from MSY) in Texas.
- Memphis International Airport in Tennessee (378 road miles from MSY).
- Hartsfield-Jackson Atlanta International Airport (472 road miles from MSY) in Georgia.

B. The Levee System Failure Following Hurricane Katrina

On August 29, 2005, Category 4 Hurricane Katrina made landfall and caused the levee system in New Orleans to fail, flooding many New Orleans neighborhoods. On September 24, 2005, Category 3 Hurricane Rita made landfall and caused another flooding. These events caused severe destruction across Louisiana, with the New Orleans MSA suffering the greatest destruction. About 40 percent of the houses in Louisiana and 60 percent in the New Orleans MSA were damaged. More than eleven years after the levee failure, the New Orleans MSA has significantly recovered despite the U.S.

⁵ By FAA classification, a small hub airport handles 0.05 percent to less than 0.25 percent of annual U.S. enplanements. The enplanement figure is from the Airport Statistics data on the Baton Rouge Metropolitan Airport website, <<http://www.flybtr.com>>, accessed on August 22, 2018.

⁶ Mobile Regional Airport (MOB), which is not a primary commercial service airport, is within a 200-mile drive but is beyond GPT when driving from MSY.

recession in 2008-2009 (the Great Recession). The hurricane recovery and rebuilding efforts in New Orleans cushioned the effects of the Great Recession. The New Orleans MSA rebounded from the Great Recession more quickly than the rest of the nation—recouping population and labor force losses from the Great Recession by 2012. Population and employment levels have yet to return to levels reached prior to Hurricane Katrina.

C. Overview of Economic and Demographic Trends

The key economic and demographic trends in the New Orleans MSA are summarized below:

- The New Orleans MSA lost 25 percent of its population after the levee system failures resulting from Hurricane Katrina, followed by Hurricane Rita. The recovery efforts have brought back many of the dispersed residents and have also attracted in-migration, but the population of the New Orleans MSA remains smaller than its size before the hurricanes—more than 8 percent smaller as of 2016.
- The New Orleans MSA labor force also remains smaller than its size in 2004—approximately 7 percent smaller as of 2017. The labor market recovery was stalled by the U.S. economic recession in 2008-2009 and the recent state recession in Louisiana resulting from the downturn in the oil industry.
- The New Orleans MSA's economy has reduced its dependence on durable goods manufacturing. This development reduces the New Orleans MSA's vulnerability to industry-specific downturns and moderates the effect of nationwide economic recessions. The MSA economy's three largest industry sectors are: (1) *Trade, Transportation and Utilities*; (2) *Education and Health Services*; and (3) *Leisure and Hospitality*. No single industry sector accounts for more than 20 percent of nonfarm employment. The New Orleans MSA continues to thrive as a popular tourist destination and convention venue—winning numerous awards.
- Significant out-migration and job losses after the hurricanes caused the New Orleans MSA GDP to decline two years ahead of the recession. GDP recovery began earlier in the New Orleans MSA because of massive fund infusions for reconstruction, but it was stalled by the Great Recession and the subsequent decline in manufacturing output.
- The sharp decrease in population in 2006, combined with increased economic activity during reconstruction, raised the New Orleans MSA's per capita personal income above the national average until 2012. The New Orleans MSA's per capita personal income is now below, but very near, that of the United States.
- The New Orleans MSA's economy is expected to continue improving, driven by the national economic expansion. Although there is a considerable amount of economic uncertainty, experts on the local economy expect job increases to continue based on several new developments, including a number of large industrial construction projects and public infrastructure projects that are underway.

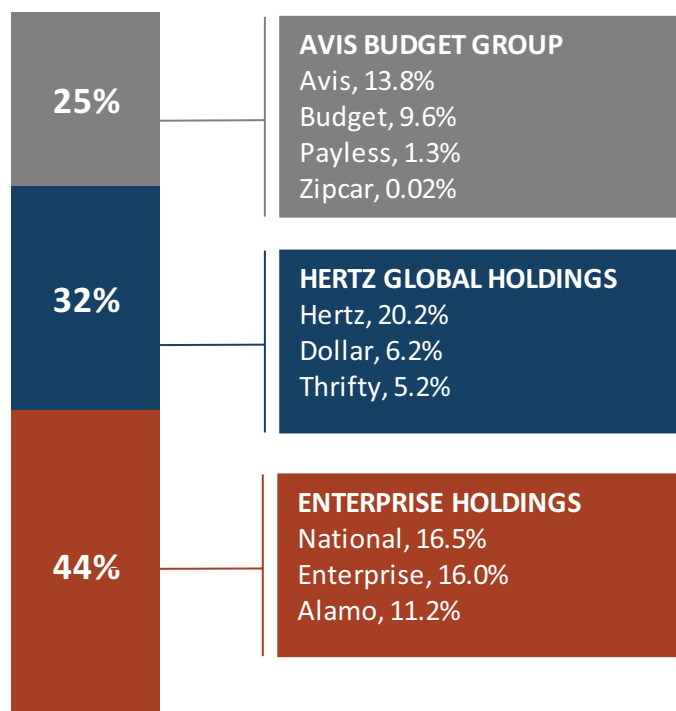
IV. Rental Car Demand: Recent Trends and Forecast

In 2017 the RACs earned a total gross revenue of approximately \$96.9 million from operating 10 brands at MSY. Figure 2 shows revenue shares by each family of brands, as follows:

- Enterprise (Enterprise, National, and Alamo brands): 44 percent
- Hertz (Hertz, Dollar, and Thrifty brands): 32 percent
- Avis Budget (Avis, Budget, Payless, and Zipcar brands): 25 percent

Figure 2 also shows the market shares of the individual brands. Together the six brands with the largest market shares accounted for 87.3 percent of the market in 2017. Hertz accounted for 20.2 percent of the market, followed by National (16.5 percent), Enterprise (16.0 percent), Avis (13.8 percent), Alamo (11.2 percent), and Budget (9.6 percent). The remaining 12.7 percent of the market was represented by the following brands (in descending order of market share): Dollar (6.2 percent), Thrifty (5.2 percent), Payless (1.3 percent), and Zipcar (0.02 percent).

Figure 2: MSY Rental Car Market Shares (By Gross Revenues for Families of Brands)



A. CFC Revenues

CFC Revenue for 2012 through 2017 and for the first six months of 2018 is shown on Table 1. CFC Revenues increased 16.2 percent in 2016, reflecting the \$1.75 increase in the CFC rate (from \$6.20 to \$7.95) effective July 1, 2016. CFC Revenues increased an additional 11.5 percent in 2017, the first full year of the \$7.95 CFC rate.

Table 1/ CFC Revenues

Year	CFC Revenues	% Change
2012	\$11,437,828	N/A
2013	\$11,705,154	2.3%
2014	\$12,260,159	4.7%
2015	\$13,147,639	7.2%
2016	\$15,275,732	16.2%
2017	\$17,038,019	11.5%
2017 - Jan - Jun	\$8,642,358	N/A
2018 - Jan - Jun	\$8,774,606	1.5%
Average Annual Change		8.3%

Source: Data reported by the RACs to NOAB.

B. Recent Rental Car Demand Trends

Table 2 and Table 3 present historical data on the following indicators of rental car market activity at the Airport:

- *Rental contracts* – A rental contract represents one rental transaction or customer. Rental contracts increased at an average annual rate of 4.1 percent from 2012 through 2017, from approximately 477,000 to 582,000. The highest annual growth rate during that period occurred in 2014 and 2015, when transactions increased 7.4 percent and 5.2 percent, respectively. Rental contracts decreased 1.3 percent in 2016 and then increased 4.7 percent in 2017. During the first six months of 2018, rental contracts were 2.4 percent lower than during the first six months in 2017.
- *Transaction days* – Annual transaction days (the total number of days vehicles were rented each year) increased at an average annual growth rate of 3.0 percent from 2012 through 2017, from approximately 1.8 million to 2.1 million. The highest annual growth of 7.2 percent in transaction days occurred in 2015. That year, enplanements increased 9.2 percent. Transaction days continued to increase through 2016. They decreased 1.1 percent in 2017 but show signs of recovery in 2018, having increased 1.5 percent through June.

- *Contract duration* – Contract duration represents the number of rental days in one rental contract. Calculated by dividing the number of transaction days by the number of rental contracts, the average contract duration fluctuated during the 2012 through 2017 period. The average contract duration decreased in 2013 and 2014, from 3.87 days in 2012 to 3.69 days in 2014 before increasing in 2015 and 2016, to 3.90 days in 2016. The average contract duration decreased to 3.68 days in 2017. Year-to-date data in 2018 indicate that the average contract duration has been increasing again, with the average at 3.73 days for the first six months of 2018, compared to 3.48 days during the first six months of 2017.

Table 2/ Rental Contracts, Transaction days, and Average Contract Duration

Year	Rental Contracts	% Change	Transaction Days	% Change	Average Contract Duration
2012	476,997	N/A	1,844,811	-0.2%	3.87
2013	498,422	4.5%	1,887,928	2.3%	3.79
2014	535,214	7.4%	1,977,445	4.7%	3.69
2015	562,990	5.2%	2,120,587	7.2%	3.77
2016	555,635	-1.3%	2,165,916	2.1%	3.90
2017	581,864	4.7%	2,143,147	-1.1%	3.68
2017 - Jan - Jun	303,017	N/A	1,087,089	N/A	3.59
2018 - Jan - Jun	295,698	-2.4%	1,103,724	1.5%	3.73
Average Change, 2012 - 2017		4.1%		3.0%	-1.0%

Source: Data reported by the RACs to NOAB.

Table 3/ Rental Car Gross Revenues and Average Daily Rental Rate

Year	Gross Revenues	% Change	Transaction Days	Average Daily Rental Rate	% Change
2012	\$91,827,776	7.2%	1,844,811	\$49.78	7.3%
2013	\$94,754,118	3.2%	1,887,928	\$50.19	0.8%
2014	\$99,068,372	4.6%	1,977,445	\$50.10	-0.2%
2015	\$99,866,532	0.8%	2,120,587	\$47.09	-6.0%
2016	\$98,574,875	-1.3%	2,165,916	\$45.51	-3.4%
2017	\$96,931,726	-1.7%	2,143,147	\$45.23	-0.6%
2017 - Jan - Jun	\$48,685,434	N/A	1,087,089	\$44.79	N/A
2018 - Jan - Jun	\$51,474,024	5.7%	1,103,724	\$46.64	4.1%
Average Change, 2012 - 2017		1.1%			-1.9%

Source: Data reported by the RACs to NOAB.

Table 4/ Recent Ratios of Rental Contracts and Transaction Days per Enplanement

Year	Enplanements	% Change	Ratio of Rental Contracts per 1,000 EPs	Ratio of Transaction Days per 1,000 EPs
2012	4,306,707	0.6%	110.8	428.4
2013	4,598,213	6.8%	108.4	410.6
2014	4,892,302	6.4%	109.4	404.2
2015	5,344,625	9.2%	105.3	396.8
2016	5,579,577	4.4%	99.6	388.2
2017	6,005,027	7.6%	96.9	356.9
2017 - Jan - Jun	2,993,084	N/A	101.2	363.2
2018 - Jan - Jun	3,339,432	11.6%	88.5	330.5
Average Change, 2012 - 2017		6.9%		

- *Gross revenues* – Gross rental revenues include all revenues rental car companies earn at the Airport that are subject to a concession fee. Gross revenues increased from approximately \$83.5 million in 2013 to \$87.1 million in 2017. From 2013, gross revenues increased each year through 2015, with the largest increase of 6.6 percent occurring in 2014. Gross revenues decreased in both 2016 and 2017 but have increased by 1.6 percent so far during the first three months of 2018. The trends in gross rental revenue reflect the combined effects of the trends in transaction days, which decreased in 2017, and rental rates, which began decreasing in 2015.
- *Average daily rental rate* – The average daily rental rate, calculated as the annual gross revenues divided by the annual transaction days, measures the average rental price. This remained essentially stable at slightly below or slightly above \$50.00 during 2012 through 2014 and then decreased to \$45.23 in 2017. For the period of 2012 through 2017, the nominal rental rate decreased at an annual average rate of 1.9 percent. The effect of projected future changes in the average daily rental rate are captured in the assumed future trends in the rental price, as explained the forecast section below.

C. Forecast Transaction Days

Forecast transaction days are the basis for calculating CFC revenues. We developed the forecasts of transaction days using multivariate time series regression analysis. We developed a regression model with transaction days as the dependent variable and the following key explanatory variables: airport passenger traffic, rental price, consumer income trends, and the impact of competition from transportation network companies (TNCs) as a ground transportation alternative. This model specification recognizes the nature of airport rental car demand as a derived demand—derived from air travel demand at the Airport. It also reflects the underlying theory of consumer demand, which posits that consumer demand decreases with an increase in price and increases with an increase in income. Also, according to consumer demand theory, the availability of lower-priced

substitutes decreases the demand for a particular good or service, holding all other factors constant. The regression model includes a control variable for the effects of post-Katrina reconstruction activity in increasing airport rental car demand. Since we used quarterly data starting from 1999 for estimation, the regression model accounts for seasonal variation. It also accounts for the correlation between past and present levels of transaction days.

The base forecast is based on certain assumptions about the future trends of the key explanatory variables:

1. Airport Passenger Traffic

The passengers at the Airport constitute the market for airport rental cars, and growth in passenger traffic is expected to drive growth in the demand for rental cars at the Airport. The regression model includes enplanements as a measure airport passenger traffic.⁷ In the past 10 years, enplanements grew at an average annual rate of 4.8 percent, a relatively high growth rate that reflects traffic recovery after a sharp decrease following the 2005 hurricanes. Over the next 10 years, enplanements are projected to grow at a more modest average annual rate of 2.3 percent, consistent with the most recent air traffic forecast prepared for the NOAB.⁸ The regression results confirm the strong positive correlation between enplanement and rental car demand trends.

Forecast development for enplanements also followed a detailed process using published data on airline schedules at the Airport and regression analysis linking growth in enplanements to trends in air travel demand drivers: (1) New Orleans MSA nonfarm employment as an indicator of local economic trends, (2) U.S. real per capita Gross Domestic Product (GDP) as an indicator of national economic trends and trends in consumer income, and (3) MSY average real passenger yield as an indicator of the price of air travel. The MSY average real passenger yield is calculated as the average fare divided by the average trip distance, which represents the price of air travel per mile.

2. Rental Price

Consumer demand tends to decrease with an increase in price, and this relationship is expected to hold for rental car demand as well. At the Airport, the overall price of renting a car includes the rental rate and the CFC, as well as other taxes and fees, which are all accounted for in the regression model. The rental rate is measured by the average rental revenue per transaction day. Taxes and fees, which are measured as a percentage of the average rental rate, are assumed to change with changes in the rental rate. Over the past 10 years, the average rental revenue per transaction day increased and decreased with the market conditions, ending in 2017 at the same level as in 2007. Over the next 10 years, we assume that, on average, rental rates will increase to keep pace with

⁷ Total passengers consist of enplanements (arriving passengers) and deplanements (departing passengers). These two components are symmetric and follow the same trends.

⁸ Air traffic forecast prepared by Unison and incorporated into the Financial Feasibility Report for the New Orleans Aviation Board Special Facility Revenue Bonds (Parking Facilities Corporation Consolidated Garage System) Series 2018A and Series 2018B.

inflation (remaining constant in real terms). The CFC is projected to remain at its current level of \$7.95 over the entire forecast period. The regression results confirm the negative correlation between rental car demand and rental price.

3. Consumer Income

Consumer demand tends to increase with income, and this relationship is also expected to hold for rental car demand. Passengers are more likely to rent cars and rent them for longer durations when their disposable incomes increase. The regression model uses real U.S. per capita GDP as a measure of consumer income. For predicting airport rental car demand, a national measure of consumer income is more appropriate than a local measure, because it is the visitors who typically rent cars at airports rather than the local residents. Real U.S. per capita GDP is derived by dividing real U.S. GDP by U.S. population. We obtained data for these two variables from Moody's Analytics, an independent economic forecasting service.

Over the past 10 years, real U.S. GDP grew at an average annual rate of 1.4 percent. This pace of growth is slower than the long-term historical trend, because of the deep recession in 2008-2009 (Great Recession) and the unusually slow recovery from this recession. Moody's Analytics' forecast for real U.S. GDP anticipates cyclical changes such as a pause in the current economic expansion in 2020, the resumption of growth in 2021 at moderate rates that decrease over the remainder of the forecast period. Moody's Analytics' forecast an average annual growth rate in real U.S. GDP of 2.1 percent over the next 10 years.

With U.S. population growth at an average annual rate of 0.8 percent, real U.S. per capita GDP increased at an average annual rate of 0.6 percent in the past 10 years. Over the next 10 years, Moody's Analytics projects U.S. population growth to continue at steady pace of 0.7 percent per year. This results in real U.S. per capita GDP increasing at an average annual rate of 1.4 percent over the next 10 years. The resulting annual trends in real U.S. per capita GDP reflect the forecast business cycle changes. The regression results confirm the positive correlation between rental car demand and real U.S. per capita GDP.

4. Competition from Transportation Network Companies

Ride-hailing services, called Transportation Network Companies (TNCs) in the airport industry, have quickly become popular since entering the U.S. ground transportation market. Uber has been allowed to pick up passengers at the Airport since April 2016, and Lyft, since July 2017. Uber and Lyft have likely attracted customers away from rental cars and other ground transportation modes. The regression results support this hypothesis. For forecast development, due to the recent trends in TNC activity at MSY and other airports, we assume that TNCs will continue to grow their operations at the Airport, doubling their market capture by 2023, after which their share of the Airport's ground transportation market would stabilize.

Table 5 shows two forecasts of transaction days. The base forecasts result from the regression model and the assumptions for the explanatory variables described above. The annual trends reflect projected business cycle changes. The projected decrease in transaction days in 2020 reflects the combined effects of the following assumptions: (1) end of the current economic expansion, (2) slowing growth in enplanements, and (3) continued increase in TNC market

penetration. The low forecast holds annual transaction days constant at the forecast 2018 level, which reflects the actual year-over-year growth rate through June 2018.

Table 5/ Forecast Rental Car Transaction Days

	Actual	Forecast										CAGR
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2017-2027
Base Forecast												
Transaction Days (1,000s)	2,143	2,176	2,232	2,207	2,214	2,229	2,231	2,266	2,299	2,327	2,355	0.9%
Annual change		1.5%	2.6%	-1.1%	0.3%	0.7%	0.1%	1.6%	1.4%	1.2%	1.2%	
Low Forecast												
Transaction Days (1,000s)	2,143	2,176	2,176	2,176	2,176	2,176	2,176	2,176	2,176	2,176	2,176	0.2%
Annual change		1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	

5. Forecast Risk Factors

The forecasts are based on specific assumptions that may not hold in the future. The future trends of the explanatory variables may differ from the assumptions, and actual transaction days may differ materially from the forecasts. Other factors or unexpected events may also present risks to the forecasts.

The remote location of the CONRAC relative to the new North Terminal may reduce its competitive advantage over off-airport rental car operators, more so if new off-airport rental car operations are established on the north side of the Airport. The Airport's plan to offer frequent shuttle service with a dedicated access route and convenient pick-up points at the North Terminal may help mitigate this risk factor.

Most consolidated rental car facilities are located remotely from airport terminals. We researched other airports with remote consolidated rental car facilities and estimated driving distances and times between the airport terminals and the consolidated rental car facilities using Google Maps. We found driving distances ranging from under 1 mile to almost 4 miles, and driving times ranging from 2 minutes to 10 minutes. The distances and driving times for other remote CONRACs are presented on Table 6. On driving distance, MSY (for the North Terminal) compares most closely to Las Vegas McCarran International Airport (3.9 miles) and Dallas-Fort Worth International Airport (3.2 miles). On driving time, MSY compares most closely to San Diego International Airport (10 minutes), Las Vegas McCarran International Airport (8 minutes), Phoenix Sky Harbor International Airport (8 minutes), and Miami International Airport (7 minutes).

A few small rental car companies that do not operate in the CONRAC (off-Airport rental car companies) offer vehicles for rent to Airport patrons. However, the off-Airport companies do not have any concession agreements with the Airport, and they do not report any operational statistics or revenues to the Airport. These off-Airport rental car companies are not allowed to operate out of the CONRAC without a Concession Agreement and a Facilities Lease. Any off-Airport rental car companies that want to pick up and drop off their customers at the Airport are required by the

NOAB to obtain a permit and to pick up and drop off their customers at a location adjacent to the CONRAC. The NOAB has legal authority to impose a CFC on off-Airport rental car transaction days, but it does not currently do so. If the NOAB were to impose such a CFC on off-Airport rental car companies, such CFC collections would not constitute CFC Revenues under the current terms of the CFC Indenture. These off-Airport rental car companies represent a very small percentage of the Airport's rental car market, and it is estimated that their combined transaction days are not significant in the MSY market.

Table 6/ Distances and Driving Times for Remote CONRACs

Airport Code	Airport Name	Distance	Drive Time
ABQ	Albuquerque International Sunport	1.5 mi	6 min
ATL	Hartsfield-Jackson Atlanta International Airport	2.4 mi	7 min
BDL	Bradley International Airport	0.6 mi	4 min
BNA	Nashville International Airport	1.0 mi	4 min
BWI	Baltimore/Washington International Airport	2.3 mi	7 min
CLE	Cleveland Hopkins International Airport	1.9 mi	9 min
DFW	Dallas/Fort Worth International Airport	3.2 mi	8 min
IAH	Houston George Bush Intercontinental Airport	2.0 mi	6 min
LAS	McCarran International Airport	3.9 mi	8 min
LEX	Blue Grass Airport	0.5 mi	3 min
MDW	Midway International Airport	1.5 mi	6 min
MIA	Miami International Airport	2.2 mi	7 min
MSY	New Orleans International Airport (North Terminal)	4.0 mi	7 min
PHI	Philadelphia International Airport	1.3 mi	6 min
PHX	Phoenix Sky Harbor International Airport	2.7 mi	8 min
SAN	San Diego International Airport	2.3 mi	10 min
SEA	Seattle-Tacoma International Airport	0.9 mi	3 min
SJC	Norman Y. Mineta San Jose International Airport	1.0 mi	5 min
TPA	Tampa International Airport	1.1 mi	6 min

Source: Google Maps.

Distance and drive time for MSY are shown for the North Terminal.

The digital revolution has also spawned peer-to-peer car-sharing platforms, such as Turo and Getaround, that now compete with rental car companies for customers at airports. These peer-to-peer car-sharing platforms allow individual car owners to rent their cars via apps. Customers use an app to rent another person's car and set a spot to pick up the car. The NOAB has learned that Turo, a person-to-person car sharing service, has begun operating at the Airport. However, information received by the NOAB indicates that currently, Turo does not seem to have extensive operations at MSY. Nevertheless, the NOAB has sent to Turo a cease and desist letter, to prevent Turo from operating at the Airport.

V. Financial Analysis

The financial analysis is discussed in the following sections, with projections of key financial metrics presented in tabular form.

A. Sources and Uses of Funds

The Series 2018 CFC Bonds are being issued to currently refund the Series 2009 CFC Bonds. The NOAB intends to transfer the balances in the reserve funds for the Series 2009 CFC Bonds to fund the Debt Service Reserve Fund and the Coverage Fund for the Series 2018 CFC Bonds. The NOAB plans to pay the issuance costs and other delivery date expenses from accumulated CFC Revenues. Table 7 summarizes the estimated sources and uses of funds for the Series 2018 CFC Bonds.

Table 7/ Sources and Uses of Funds

Sources and Uses	Amount
Sources	
Bond Proceeds	
Par Amount	\$81,600,000
Premium	7,291,241
Other Sources of Funds	
CFC Revenues	816,000
Debt Service Reserve Fund Release	7,694,175
Interest Fund	1,416,138
Principal Fund	1,518,750
Total Sources	\$100,336,304
Uses	
Refunding Excrow Deposits	\$91,824,443
Debt Service Reserve Fund	7,693,750
Delivery Date Expenses	816,000
Additional Proceeds	2,111
Total Uses	\$100,336,304

B. Projected CFC Revenues

The projections of CFC Revenues under the base forecast are presented on Table 8. CFC Revenues are projected to increase to approximately \$18.7 million in 2027.

Table 8/ Projected CFC Revenue

Year	Transaction Days	CFC Rate	CFC Revenues
2018	2,175,942	\$7.95	\$17,298,740
2019	2,231,837	\$7.95	\$17,743,105
2020	2,206,692	\$7.95	\$17,543,202
2021	2,214,225	\$7.95	\$17,603,088
2022	2,229,214	\$7.95	\$17,722,255
2023	2,230,571	\$7.95	\$17,733,040
2024	2,266,418	\$7.95	\$18,018,020
2025	2,298,862	\$7.95	\$18,275,955
2026	2,327,450	\$7.95	\$18,503,231
2027	2,355,104	\$7.95	\$18,723,079

C. Rate Covenant Calculations

Annual CFC Revenues are projected to be sufficient to meet the debt service requirements and all other CFC Costs without the imposition of Contingent Rent or any other Supplemental Facility Charges during the projection period. The projected CFC Costs consist of the following items:

1. Annual debt service for the Series 2018 CFC Bonds, based on the bond sizing and debt service schedules provided by Frasca and Associates. The debt service schedules assume an annual interest rate of approximately 4.26 percent and a final maturity on January 1, 2040. The costs of issuance and other delivery date expenses will be paid from existing accumulated CFC Revenues, and not from bond proceeds.
2. Administrative expenses, consisting of the projected operating costs of the shuttle buses, consultant expenses, legal expenses, NOAB staff time spent on the CFC program administration, and other costs of administering the CFC program.

No deposits to the Maintenance Reserve Fund are projected to be required during the projection period.

It was mentioned above that the Rate Covenant in the CFC Indenture requires “that Revenues must equal at least both (i) CFC Costs and (ii) calculated separately an amount equal to 135% of Aggregate Debt Service for the applicable Bond Year after taking into account the amounts in the Coverage Fund which do not exceed 25% of Maximum Annual Debt Service.”

For each year during the projection period, Revenues are projected to exceed CFC Costs, thus meeting requirement (1) of the Rate Covenant. In addition, Revenues plus the balance in the Coverage Fund which do not exceed 25 percent of Maximum Annual Debt Service are projected to total more than 135 percent of Debt Service on the Series 2018 CFC Bonds (at least 2.63 during the projection period), thus meeting requirement (2) of the Rate Covenant. Annual debt service coverage without taking into account monies in the Coverage Fund is projected to be maintained at

2.38 or higher throughout the projection period. The projections of the Rate Covenant calculations are presented on Table 9.

D. Application of Revenues

The application of projected Revenues, in accordance with the flow of Funds specified in the CFC Indenture, is summarized on Table 10. Revenues deposited to the Revenue Fund are projected to be used for the following purposes, in the order indicated, pursuant to the Flow of Funds specified in the CFC Indenture:

1. Debt Service Fund – to meet the annual debt service requirements.
2. Coverage Fund – to cause the Fund balance to equal the Coverage Fund Requirement. Because the Coverage Fund Requirement is fully funded, no deposits are projected during the projection period.
3. Debt Service Reserve Fund – to cause the Fund balance to equal the Debt Service Reserve Requirement. Because the Debt Service Reserve Requirement is fully funded, no deposits are projected during the projection period.
4. Administrative Costs Fund – to fund various administrative costs, plus the operating costs of the shuttle buses.
5. Maintenance Reserve Fund – to pay for the costs of capital repairs, replacement and maintenance of the CFC Projects, and to reimburse advances made by the Board for such reasonable costs. There is currently a balance of \$1.5 million in this Fund. The NOAB plans to prepare a facility needs assessment periodically to form the basis for determining the amounts needed for costs to be paid from the Maintenance Reserve Fund. Because the facility needs assessment has not been prepared yet, no deposits are projected to be required during the projection period.
6. Surplus Fund – all monies remaining after the above uses of Revenues are to be deposited in the Surplus Fund.



Table 9/ Rate Covenant Calculations

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Revenues										
CFC Revenue	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
Supplemental Facility Charges	0	0	0	0	0	0	0	0	0	0
Total Revenues	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
CFC Costs										
Debt service	3,659,608	4,080,000	4,080,000	4,080,000	4,080,000	4,080,000	5,875,000	7,685,250	7,690,500	7,686,250
Administrative Expenses	507,630	6,675,200	6,878,966	7,067,695	7,262,791	7,473,155	7,685,899	7,904,733	8,129,832	8,361,376
Deposits to Maintenance Reserve Fund	0	0	0	0	0	0	0	0	0	0
Total CFC Costs	4,167,238	10,755,200	10,958,966	11,147,695	11,342,791	11,553,155	13,560,899	15,589,983	15,820,332	16,047,626
Excess Revenues over CFC Costs	\$13,131,502	\$6,987,905	\$6,584,236	\$6,455,393	\$6,379,464	\$6,179,885	\$4,457,121	\$2,685,972	\$2,682,899	\$2,675,453
Total Revenues	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
Coverage Fund Balance	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438	1,923,438
Revenues plus Coverage Fund Balance	\$19,222,178	\$19,666,543	\$19,466,640	\$19,526,526	\$19,645,693	\$19,656,478	\$19,941,458	\$20,199,393	\$20,426,669	\$20,646,517
Debt Service	3,659,608	4,080,000	4,080,000	4,080,000	4,080,000	4,080,000	5,875,000	7,685,250	7,690,500	7,686,250
Debt Service Coverage	5.25	4.82	4.77	4.79	4.82	4.82	3.39	2.63	2.66	2.69
Debt Service Coverage Without Coverage Fund Balance	4.73	4.35	4.30	4.31	4.34	4.35	3.07	2.38	2.41	2.44



Table 10/ Application of Revenues

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Deposits to Revenue Fund										
CFC Revenues	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
Supplemental Facility Charges	0	0	0	0	0	0	0	0	0	0
Total Revenue	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079
Deposits to:										
Debt Service Fund	3,659,608	4,080,000	4,080,000	4,080,000	4,080,000	4,080,000	5,875,000	7,685,250	7,690,500	7,686,250
Coverage Fund	0	0	0	0	0	0	0	0	0	0
Debt Service Reserve Fund	0	0	0	0	0	0	0	0	0	0
Administrative Costs Fund	507,630	6,675,200	6,878,966	7,067,695	7,262,791	7,473,155	7,685,899	7,904,733	8,129,832	8,361,376
Maintenance Reserve Fund	0	0	0	0	0	0	0	0	0	0
Surplus Fund	13,131,502	6,987,905	6,584,236	6,455,393	6,379,464	6,179,885	4,457,121	2,685,972	2,682,899	2,675,453
Total Deposits	\$17,298,740	\$17,743,105	\$17,543,202	\$17,603,088	\$17,722,255	\$17,733,040	\$18,018,020	\$18,275,955	\$18,503,231	\$18,723,079



E. Surplus Fund

The annual deposits to the Surplus Fund, the annual payments from the Surplus Fund, and the annual balance in Surplus Fund are projected on Table 11. Monies deposited into the Surplus Fund may be used for any of the following purposes provided that moneys in the Surplus Fund are first used for items 1 and 2 below:

1. As long as the Facilities Leases contain provisions for reimbursement to the Manager of the O&M Repayment Amount for any year for which such O&M Repayment Amount has not previously been reimbursed. The O&M Repayment amount is equal to the actual O&M Expenses for the prior year;
2. To reimburse the RACs for the Ground Rental Repayment Amount not previously paid. The Ground Rental Repayment Amount is equal to the amount of Ground Rentals paid by all the RACs in the prior year;
3. To fund repairs and replacements for CFC projects;
4. To reimburse the NOAB for amounts expended with respect to planning, financing, and constructing or operating the Consolidated Facility and any other CFC project
5. To expand the CFC projects;
6. To purchase, defease, or retire CFC Bonds; or
7. For any other lawful purpose with respect to the Consolidated Facility and any other CFC projects.

In each year during the forecast period, is projected that there will be sufficient monies in the Surplus Fund to reimburse the Facility Manager for the actual O&M Expenses for the prior year. It is projected that there will also be sufficient monies in the Surplus Fund to reimburse the RACs for the Ground Rentals paid by all the RACs in each prior year during the forecast period.



Table 11/ Surplus Fund

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beginning Balance	\$8,761,570	\$17,102,892	\$21,691,199	\$25,908,139	\$30,022,684	\$34,085,067	\$37,968,162	\$40,128,582	\$40,486,486	\$40,793,532
Deposits from Revenue Fund	13,131,502	6,987,905	6,584,236	6,455,393	6,379,464	6,179,885	4,457,121	2,685,972	2,682,899	2,675,453
Investment Income (2%)	258,645	387,941	475,993	559,308	641,078	720,532	780,967	811,154	826,153	837,929
O&M Expenses (prior year)	(2,050,788)	(2,091,584)	(2,133,416)	(2,176,084)	(2,219,606)	(2,263,998)	(2,309,278)	(2,355,463)	(2,402,573)	(2,450,624)
Ground Rentals (prior year)	(682,037)	(695,955)	(709,874)	(724,072)	(738,553)	(753,324)	(768,391)	(783,758)	(799,434)	(815,422)
Refunding Costs of Issuance	(816,000)	0	0	0	0	0	0	0	0	0
Roadway Improvements	(1,500,000)	0	0	0	0	0	0	0	0	0
Ending Balance	\$17,102,892	\$21,691,199	\$25,908,139	\$30,022,684	\$34,085,067	\$37,968,162	\$40,128,582	\$40,486,486	\$40,793,532	\$41,040,867



In 2018, it is projected that the following expenditures will be paid from the accumulated balance in the Surplus Fund:

- The issuance costs and other delivery date expenses related to the Series 2018 CFC Bonds, estimated to total approximately \$816,000; and
- Roadway improvements necessary to accommodate the CONRAC shuttle buses on the North side of the Airport, estimated to cost approximately \$1.5 million.

The ending balance in the Surplus Fund is projected to increase during the forecast period, to approximately \$41.0 million at the end of 2027.

VI. Summary of Findings

Based on the analysis described above, we forecast that the NOAB will be able to comply with the Rate Covenant and pay debt service and other financial obligations from CFC Revenues while maintaining a balance in the Surplus Fund. Specifically, we find the following:

- For each year during the projection period, Revenues are projected to exceed CFC Costs, thus meeting requirement (i) of the Rate Covenant. In addition, Revenues plus the balance in the Coverage Fund which do not exceed 25 percent of Maximum Annual Debt Service are projected to total more than 135 percent of Debt Service on the Series 2018 CFC Bonds (at least 2.63 during the projection period), thus meeting requirement (ii) of the Rate Covenant. Annual debt service coverage without taking into account monies in the Coverage Fund is projected to be maintained at 2.38 or higher throughout the projection period.
- The financial projections indicate that there will be sufficient monies in the Surplus Fund to:
 - Reimburse the Facility Manager for the actual O&M Expenses for the prior year, in each year during the projection period.
 - Reimburse the RACs for all of the Ground Rentals paid by the RACs in the prior year.
- The ending balance in the Surplus Fund is projected to increase during the forecast period, to approximately \$41.0 million at the end of 2027.

Sincerely,

UNISON CONSULTING, INC.

Unison Consulting, Inc.

APPENDIX B
FORM OF RESTATED CUSTOMER FACILITY CHARGE
MASTER REVENUE BOND TRUST INDENTURE

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**RESTATED CUSTOMER FACILITY CHARGE MASTER
REVENUE BOND TRUST INDENTURE**

by and among

NEW ORLEANS AVIATION BOARD, AS ISSUER

THE CITY OF NEW ORLEANS

AND

**THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
AS TRUSTEE**

SECURING

\$82,565,000

**NEW ORLEANS AVIATION BOARD
GULF OPPORTUNITY ZONE CFC REVENUE REFUNDING BONDS
(CONSOLIDATED RENTAL CAR PROJECT)
SERIES 2018 (NON-AMT)**

Dated as of October 1, 2018

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shall not be considered part of this CFC Master Indenture)

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EXHIBIT A	Form of CFC Bonds
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This Restated Customer Facility Charge Master Revenue Bond Trust Indenture dated as of October 1, 2018 (this “**CFC Master Indenture**”), among the New Orleans Aviation Board (the “**Board**”) as issuer, and the City of New Orleans (the “**City**”), a body politic and corporate duly organized and existing pursuant to the provisions of its Home Rule Charter and the Constitution of the State of Louisiana, and The Bank of New York Mellon Trust Company, N.A. as Trustee (the “**Trustee**”), a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, constitutes an indenture supplemental to or amendatory of the Customer Facility Charge Master Revenue Bond Trust Indenture dated as of December 1, 2009 (the “**2009 CFC Master Indenture**”) among the Board, the City and the Trustee and provides for the issuance from time to time of New Orleans Aviation Board Customer Facility Charge Revenue Bonds.

WITNESSETH:

WHEREAS, the City is a municipality of the State of Louisiana existing pursuant to the provisions of its Home Rule Charter adopted on May 1, 1954, as amended through June 1, 2018 (the “**Charter**”), which charter was adopted pursuant to the authorization of Section 22 of Article XIV of the Constitution of the State of Louisiana of 1921;

WHEREAS, the Board is an unattached board of the City created and existing pursuant to the provisions of Article V, Chapter 6, Sections 5-601 through 5-603 of the Charter, which is charged with the power and authority to administer, operate and maintain the airport facilities owned by said City, including without limitation the airport commonly referred to as the Louis Armstrong New Orleans International Airport (the “**Airport**”), acting by and through its undersigned duly authorized officer;

WHEREAS, the Council of the City of New Orleans (the “**Council**”) acting as the governing authority of the City pursuant to Resolution R-08-153 adopted on April 3, 2008, Resolution No. R-08-436 adopted on August 7, 2008 and Resolution No. R-09-232 adopted on May 21, 2009 approved the execution of the 2009 CFC Master Indenture to provide for the issuance from time to time of New Orleans Aviation Board Customer Facility Charge Revenue Bonds (“**CFC Bonds**”) to be secured by and payable from a rental car customer facility charge (“**CFC**”);

WHEREAS, the Board has heretofore issued general airport revenue bonds (the “**GARBs**”) pursuant to the provisions of that certain General Revenue Bond Trust Indenture by and among the Board, the City, and Trustee, dated as of February 1, 2009, (the “**GARB General Indenture**”) as amended and supplemented by the provisions of a First, Second and Third Supplemental Trust Indenture among the same parties (collectively the “**GARB Indenture**”);

WHEREAS, the GARB General Indenture excludes from the definition of “Revenues” pledged to secure the GARBs all rental car customer facility charges defined as “CFCs” in the GARB General Indenture;

WHEREAS, the 2009 CFC Master Indenture provided for the issuance of CFC Bonds from time to time to be secured by the avails of the CFC (the “**CFC Revenues**”) and other amounts payable, including Contingent Rent and Other Supplemental Facility Charges (as herein defined), by rental car companies (“**Companies**”) pursuant to the lease of capital improvements at the Airport (collectively the CFC Revenues, Contingent Rent and Supplemental Facility

Charges being defined herein and included below as the “**Revenues**”) and the amounts credited to certain and accounts created herein (the “**Pledged Funds and Accounts**”) and such other items as shall be provided by an indenture supplemental to or amendatory of the 2009 CFC Master Indenture fixing the terms and details of any such CFC Bonds;

WHEREAS, pursuant to resolutions adopted (i) on July 16, 2008 as amended on October 15, 2008, the Board imposed a CFC on rental car customers of rental car operators at the Airport of \$5.50 per Transaction Day, (ii) on May 13, 2009, the Board increased the rate of CFC to \$6.20 per Transaction Day, and (iii) on May 19, 2016, the Board increased the CFC by \$1.75 per Transaction Day to \$7.95;

WHEREAS, the CFC, Contingent Rent, and other Supplemental Facility Charges when applicable are intended to provide amounts to be used to pay debt service on CFC Bonds, issued to finance the costs of planning, designing, financing, constructing and equipping any lawful project of the Board which may by law and agreement be financed with CFC Bonds;

WHEREAS, pursuant to a First Supplemental Indenture dated as of December 1, 2009 (the “**First Supplemental**”) to the 2009 CFC Master Indenture, the Board issued \$96,515,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project) Series 2009 A (Non-AMT) (the “**Series 2009 CFC Bonds**”) to finance (i) a multi-story building providing space for rental car customer facilities and offices, the storage, leasing, and return of rental cars (the “**CONRAC**”) and (ii) storage, cleaning repair, and maintenance facilities (the “**Service Centers**”, together with the CONRAC the “**Consolidated Facility**”) to be leased by the Board to rental car operators desiring to rent cars at the Airport pursuant to one or more Facilities Lease(s) a CONRAC and Service Centers (as herein defined) for use and occupancy by the Companies pursuant to a lease (“**Facilities Lease**”) of the Consolidated Facility to the Companies;

WHEREAS, the Series 2009 CFC Bonds were CFC Bonds issued as qualified Gulf Opportunity Zone Bonds under the Gulf Opportunity Zone Act of 2005 (Public Law 109-135) (the “**GO Zone Act**”) and may now be currently refunded in accordance with IRS Notice 2012-3 ; and

WHEREAS, pursuant to a resolution adopted by the Board on June 14, 2018 (the “**Series 2018 CFC Bond Authorizing Resolution**”) and approved by the Council by its Resolution No. R-18-277 adopted on July 12, 2018 (the “**City Resolution**”), the Board authorized not to exceed One Hundred Million Dollars (\$100,000,000) of New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue and Refunding Bonds (Consolidated Rental Car Facility) Series 2018 in one or more series (the “**Series 2018 CFC Bonds**”) in order to refund the Series 2009 CFC Bonds on their first optional redemption date of January 1, 2019 (the “**Series 2009 CFC Bonds Redemption Date**”) and to defease all of such Series 2009 CFC Bonds on October 30, 2018 (the “**Series 2009 CFC Bonds Defeasance Date**”); and

WHEREAS, pursuant to the resolution adopted on September 6, 2018 (the “**Sale Resolution**”), the Board approved the sale of not exceeding \$100,000,000 principal amount of Series 2018 CFC Bonds; and

WHEREAS, the execution and delivery of this CFC Master Indenture has been duly and validly authorized by a resolution duly adopted by the Board.

NOW, THEREFORE, THIS CFC MASTER INDENTURE OF TRUST WITNESSETH:

Granting Clauses

That the Board, in consideration of the premises, the acceptance by the Trustee of the trusts hereby created, the purchase and acceptance of any CFC Bonds by the registered owners thereof and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and to secure the payment of the principal of, premium, if any, and interest on all CFC Bonds Outstanding from time to time, according to their tenor and effect, and to secure the performance and observance by the Board of all the covenants expressed or implied herein and in the CFC Bonds, does hereby pledge, assign and grant a security interest in favor of the Trustee, and to its successors in trust and assigns forever the following described items (the “**Trust Estate**”);

1

Granting Clause First

All right, title and interest of the Board in and to the Revenues, including CFC Revenues, Contingent Rent, if any, and any other Supplemental Facility Charges, if any (as hereinafter defined);

2

Granting Clause Second

All right, title and interest of the Board in and to the Facilities Leases and all amounts due pursuant thereto by the Companies to the Board other than Ground Rentals, including the CFC Revenues, and Contingent Rent and other Supplemental Facility Charges when due;

3

Granting Clause Third

All moneys and securities from time to time in or held by the Trustee under the terms of this CFC Master Indenture within the Collection Account, the Debt Service Fund, the Coverage Fund, and the Surplus Fund (the “**Pledged Funds**”) and to the extent provided in any Supplemental Indenture moneys and securities held in any Construction Fund, but not the moneys credited or deposited in the Administrative Costs Fund, the Arbitrage Rebate Fund, any Costs of Issuance Fund, the Maintenance Reserve Fund and the Insurance and Condemnation Proceeds Fund (the “**Not Pledged Funds**”) and for moneys deposited with or paid to the Trustee and held in trust hereunder for the payment or redemption of CFC Bonds, notice of the redemption of which has been duly given; and

4

Granting Clause Fourth

Any and all other property, rights and interests of every kind and nature from time to time hereafter by delivery or by writing of any kind granted, bargained, sold, alienated, demised, released, conveyed, assigned, transferred, mortgaged, pledged, hypothecated or otherwise subjected hereto as and for additional security hereunder, by the Board or by any other person on its behalf or with its written consent, to the Trustee, and the Trustee is hereby authorized to receive any and all such property at any and all times and to hold and apply the same subject to the terms hereof.

TO HAVE AND TO HOLD whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever.

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future registered owners of any CFC Bonds from time to time secured by this CFC Master Indenture without privilege, priority, or distinction as to the lien or otherwise of any of the CFC Bonds over any of the other CFC Bonds.

PROVIDED, HOWEVER, that if the Board, its successors or assigns shall well and truly pay, or cause to be paid, the principal of, premium, if any, and interest on all the CFC Bonds, at the times and in the manner set forth therein according to the true intent and meaning thereof, and shall cause the payments to be made on the CFC Bonds as required herein, or shall provide, as permitted by Section 901 hereof, for the payment thereof, and shall well and truly cause to be kept, performed and observed all of its covenants and conditions pursuant to the terms of this CFC Master Indenture, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then this CFC Master Indenture and the rights hereby granted shall cease, determine and be void; otherwise this CFC Master Indenture shall remain in full force and effect.

THIS CFC MASTER INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all CFC Bonds issued and secured hereunder, or obligations incurred pursuant to Section 208 or Section 209 hereof and secured hereby, are to be issued, and secured, and all said property, rights and interests and any other amounts hereby assigned and pledged are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as herein expressed, and the Board has agreed and covenanted, and does hereby agree and covenant, with the Trustee and the respective owners from time to time of the CFC Bonds as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATION

SECTION 101. Definitions and Construction. The following terms, for all purposes of this CFC Master Indenture, and of any indenture amendatory hereof or supplemental hereto, and of any certificate, opinion or other document herein mentioned, shall have the meanings specified in the preambles hereto or in this Section, unless the context clearly indicates otherwise:

“**Accounts**” means the special accounts created and established pursuant to Article III.

“**Act**” means Article VI, Section 37 of the Louisiana Constitution of 1974, as amended, Part XIV of Chapter 4 of Subtitle II of Title 39 of the Louisiana Revised Statutes of 1950, as amended, particularly La. R.S. 39:1034 (D) and (F), together with the other constitutional and statutory authority supplemental thereto, including without limitation, the provisions of Chapter 13 of Subtitle III of Title 39, including La. R.S. 39:1430 and the provisions of Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456, inclusive) of the Louisiana Revised Statutes of 1950, as amended.

“**Additional Bonds**” means CFC Bonds other than the Series 2018 CFC Bonds issued pursuant to the provisions of Section 205 hereof and in compliance with the provisions of Section 206 hereof.

“**Administrative Costs**” means the following expenses as determined and approved by an Authorized Board Representative which are incurred in connection with the CFC Bonds and the financing of any CFC Project as a direct consequence of the Board’s entering into this CFC Master Indenture, the Supplemental Indentures, the Agreements and the Facilities Leases: (i) the ongoing fees and expenses of the Trustee, the paying agent and registrar for the CFC Bonds, (ii) the ongoing fees and expenses due any Provider, (iii) the fees and expenses of Bond Counsel, or other legal counsel to the Board or the Trustee, the Accountant and the Independent Airport Consultant subsequent to those included in the Costs of Issuance, (iv) the fees and expenses of the Board related to CFC Bonds incurred with respect to the Airport, including, but not limited to those of attorneys, financial advisors, accountants and consultants incurred in connection with any regulatory or administrative requirements, including specifically, but without limitation, the preparation and filing of annual financial statements and audits and compliance with arbitrage rebate requirements for Tax-exempt Bonds and continuing disclosure requirements, (v) the reasonable legal fees and expenses of the Board and the Companies incurred with respect to defending any actions or proceedings brought by third parties challenging the CFC or the collection or remittance thereof under the CFC Resolution, the Facilities Leases, the CFC Master Indenture, the Supplemental Indentures, the Agreements, and any CFC Bonds, (vi) insurance premiums or insurance deductibles, if any, of the Board with respect to any CFC Project, to the extent not paid by the Companies pursuant to Section 408, (vii) CONRAC Busing Costs, (viii) costs for contracting an architect or engineer to complete a Physical Needs Assessment, and (ix) such other reasonable fees and expenses of the Board in carrying out its obligations under this CFC Master Indenture, the Supplemental Indentures, the CFC Resolution, the Facilities Leases, and the Agreements. Administrative Costs shall not include Costs of Issuance.

“**Administrative Costs Fund**” means the Administrative Costs Fund established with the Trustee pursuant to Article III.

“**Agreement**” or “**Agreements**” means each Car Rental Concession Agreement entered into by the Board and an On-Airport Rental Car Company, or, collectively, the On-Airport Concession License Agreements entered into by the Board and the respective On-Airport Rental Car Companies regarding the charging, collecting and remittance of the Facility Charges.

“**Aggregate Debt Service**” means, as of any particular date of computation and with respect to a particular Bond Year or other specified 12-month period, an amount of money equal to the aggregate amounts required by the provisions of all Supplemental Indentures creating Series of CFC Bonds.

“**Airport**” means Louis Armstrong New Orleans International Airport, formerly known as Moisant Field, owned by the City, together with any additions thereto, or improvements or enlargements thereof, hereafter made.

“**Airport Facility**” or “**Airport Facilities**” shall mean any portion or component of the Airport System, other than a Special Facility.

“**Airport System**” shall mean all airport and aviation facilities, or any interest therein, now or from time to time hereafter owned by the City and/or operated or controlled in whole or in part by the Board, together with all properties, facilities and services thereof, and all additions, extensions, replacements and improvements thereto, and all services provided or to be provided by the Board in connection therewith except any Special Facility. The Airport System shall include the Airport and the downtown heliport.

“**Annual Debt Service**” means, as of any particular date of computation and with respect to a particular Bond Year or other specified 12-month period and to CFC Bonds of a particular Series the sum of (a) all interest payable during such Bond Year or other specified 12-month period on all CFC Bonds of said Series on said date of computation and (b) all Principal Installments payable during such Bond Year or other specified 12-month period with respect to all CFC Bonds of said Series on said date of computation, all calculated on the assumption that Series of CFC Bonds will after said date of computation cease to be Outstanding by reason of the payment when due (or provision for such payment in accordance with Section 901) and application in accordance with this CFC Master Indenture and the Supplemental Indenture creating such Series of Principal Installments payable at or after said date of computation.

“**Arbitrage Rebate Fund**” means any such Fund created pursuant to the provisions of Section 301(1)(j) and Section 313 for a particular Series of Tax-Exempt Bonds.

“**Authorized Board Representative**” means the Chairperson, Vice Chairperson of the Board and the Director or any other officer, or employee authorized by an appropriate proceeding adopted by the Commissioners to act on behalf of the Board with respect to any purpose of this CFC Master Indenture or any Supplemental Indenture.

“**Authorized Denomination**” means for any Series 2018 CFC Refunding Bond, \$5,000 and any integral multiple of \$5,000 in excess thereof; and for any other CFC Bonds, as set forth in the Supplemental Indenture authorizing such other CFC Bonds.

“**Authorized Officer**” shall mean any officer, official, employee, agent or other person authorized by an appropriate proceeding of the entity on behalf of which such individual is acting for any purpose of this CFC Master Indenture and with respect to the Board shall include the Authorized Board Representative.

“**Board**” means the New Orleans Aviation Board.

“**Bond**” means any bond or other written evidence of indebtedness included within the definition of CFC Bonds and does not include any Subordinated CFC Bonds.

“**Bond Counsel**” means any counsel acceptable to the Board and the Trustee and which is a nationally recognized bond counsel familiar with transactions of the type contemplated under this CFC Master Indenture.

“**Bond Resolution**” means the resolutions adopted by the Commissioners of the Board dated June 21, 2018 and September 6, 2018, respectively, captioned:

RESOLUTION PROVIDING APPROVAL AND AUTHORIZATION FOR THE ISSUANCE OF NOT EXCEEDING \$100,000,000 NEW ORLEANS AVIATION BOARD GULF OPPORTUNITY ZONE CFC REVENUE AND REFUNDING BONDS (CONSOLIDATED RENTAL CAR FACILITY) SERIES 2018 IN ONE OR MORE SUBSERIES; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

And

A RESOLUTION AUTHORIZING THE SALE AND ISSUANCE OF NOT EXCEEDING ONE HUNDRED MILLION DOLLARS (\$100,000,000) NEW ORLEANS AVIATION BOARD GULF OPPORTUNITY ZONE CFC REVENUE AND REFUNDING BONDS (CONSOLIDATED RENTAL CAR FACILITY) SERIES 2018 IN ONE OR MORE SERIES; AND PROVIDING FOR OTHER MATTERS IN CONNECTION THEREWITH.

“**Bond Year**” means a 12-month period commencing on January 1 of each calendar year and ending on December 31 of such calendar year and the partial year commencing on the Date of Issuance of the Series 2018 CFC Bonds and ending on December 31, 2018.

“**Business Day**” means any day on which interbank wire transfers are made on the Fedwire system, other than a Sunday, a Saturday, a legal holiday or a day on which banking institutions are authorized by law or executive order to close in the City, in the City of New York, New York, or in the city in which a Principal Office of the Trustee is located.

“**Capital Appreciation Bond**” means a Bond bearing interest that is compounded on an initial date and semiannually thereafter, and is payable at maturity.

“**Capital Repair/Replacement Deposit**” means the monthly deposit to the Maintenance Reserve Fund determined pursuant to a Physical Needs Assessment that, together with the existing monies in the Maintenance Reserve Fund, will pay the costs of capital repairs and replacements to the Consolidated Facility over a twenty (20) year period from the date of the most recent Physical Needs Assessment.

“**Certificate**” means an instrument of the Board in writing signed by an Authorized Board Representative. Any such instrument in writing and supporting opinions or representations, if any, may but need not, be combined in a single instrument with any other instruments, opinion or representation, and the two or more so combined shall be read and construed so as to form a single instrument. Any Certificate may be based, insofar as it relates to legal, accounting or engineering matters, upon the opinion or representation of counsel, accountants, or engineers, respectively, unless the officer signing such Certificate knows that the opinion or representation with respect to

the matters upon which such Certificate may be based, as aforesaid, is erroneous. The same Authorized Board Representative, or the same counsel or accountant or other persons, as the case may be, need not certify to all of the matters required to be certified under any provision of this CFC Master Indenture or any Supplemental Indenture, but different officers, counsel, accountants or other persons may certify to different facts, respectively.

“**CFC,**” “**Facility Charge**” or “**Facility Charges**” shall mean the per diem charge expressed in dollars or as a percentage of gross daily rental charges imposed by the Board upon the lessors of rental cars rented at the Airport to be collected by the On-Airport Rental Car Companies and remitted to the Board.

“**CFC Bonds**” means any Bonds issued by the Board under and pursuant to Article II of this CFC Master Indenture all of which are secured on a pari passu parity basis by a first lien on the Revenues and the Trust Estate and do not include Subordinated CFC Bonds.

“**Collection Account**” means the account created pursuant to the provisions of Section 301(1)(k) and described in Section 312 hereof.

“**CFC Costs**” means the costs that are intended to be paid with or recovered from CFC Revenues, as follows:

1. The Aggregate Debt Service on the CFC Bonds.
2. The annual Administrative Costs, which include the CONRAC Busing Costs as an Administrative Cost.
3. Deposits needed to the Maintenance Reserve Fund in order to meet the Maintenance Reserve Fund Deposit Requirement.
4. Fund the Coverage Account to the Coverage Account Requirement.
5. Any required deposits to the funds and accounts established pursuant to Article III of this CFC Master Indenture, including the replenishment of deficiencies in the balances of the accounts and funds or other reserves.

“**CFC Deficit**” means that the projected CFC Revenues for any Bond Year are not sufficient to satisfy the Rate Covenant of Section 402(c) hereof for such Bond Year.

“**CFC Master Indenture**” this CFC Master Indenture dated as of October 1, 2018 among the Board, the City and the Trustee which constitutes an indenture supplemental to and amendatory of the 2009 CFC Master Indenture.

“**CFC Project**” means the Consolidated Facility and any other capital improvement that may be lawfully undertaken by the Board and paid for or financed with CFC Revenues.

“**CFC Resolution**” means resolutions adopted by the Board (i) on July 16, 2008 as amended on October 15, 2008 that imposed a CFC on rental car customers of rental car operators at the Airport of \$5.50 per Transaction Day, (ii) on May 13, 2009 that increased the rate of CFC to \$6.20, and (iii) on the May 19, 2016 that increased the CFC by \$1.75 to \$7.95 per Transaction Day-as of July 1, 2016, as said resolution was amended on September 6, 2018.

“**CFC Revenues**” means all of the proceeds derived by the Board from the CFC but not including any Contingent Rent or any other Supplemental Facility Charges.

“**Chief Financial Officer**” means the Deputy Director of Business and Financial Management or such other Board staff person in responsible charge of the Board’s financial records, accounts and accounting functions.

“**City**” means the City of New Orleans, a body politic and corporate and home rule unit of local government, organized and existing under the Constitution and laws of the State.

“**City Council**” means the City Council of the City of New Orleans, or any succeeding governing or legislative body of the City.

“**Code**” means the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations promulgated thereunder.

“**Commissioner**” means the duly appointed individual member to the Board of Commissioners.

“**Common Areas**” means the portion of the ground for the assigned Service Center and that portion of the CONRAC for the common use by the Companies and the Board as described in the Facilities Lease.

“**Company**” means an On-Airport Rental Car Company that has entered into an On-Airport Concession License Agreement and a Facilities Lease and any surviving, resulting or transferee entity as provided in the On-Airport Concession License Agreement and Facilities Lease.

“**Completion CFC Bonds**” means a Series of CFC Bonds issued for the purpose of defraying additional costs of a CFC Project.

“**Completion Date**” means the date determined by the Board in a Certificate as the date upon which any CFC Project for which CFC Bonds have been issued shall be or was complete as such term is defined and used in section 309(2) hereof.

“**CONRAC**” means the portion of the Consolidated Facility consisting of a multi-story garage providing ready/return vehicle parking spaces and customer service building including customer service lobby, restrooms, customer service counter space, rental car company administrative office space, electrical utility room, and escalators and elevators allowing customer access to each level of the ready/return multi-level garage.

“**CONRAC Busing Costs**” means costs of the busing operation between the CONRAC and the North Terminal pursuant to the CONRAC Shuttle Agreement.

“**CONRAC Shuttle Agreement**” means the Rental Car Bus Management Agreement dated December 21, 2017 between the Shuttle Manager and the On-Airport Rental Car Companies to arrange for shuttle services between the CONRAC and the North Terminal.

“**Consolidated Facility**” means the CONRAC and the Service Centers.

“**Construction Fund**” means the Construction Fund established with the Trustee pursuant to Article III.

“**Consulting Engineer**” means a registered or licensed engineer or engineers, or firm or firms of engineers, with expertise in the field of designing, preparing plans and specifications for, supervising the construction, improvement and expansion of, and supervising the maintenance of, airports and aviation facilities, entitled to practice and practicing as such under the laws of the State of Louisiana, who, in the case of any individual, shall not be a Commissioner, councilmember, officer or employee of the City or the Board.

“**Contingent Rent**” means the additional amounts payable by a Company to the Board pursuant to a Facilities Lease when the CFC Revenues for any applicable period are not projected to equal estimated CFC Costs or have not equaled CFC Costs for a prior period.

“**Contract**” means the written agreement under which a Motor Vehicle is rented at the Airport to a customer by a Company.

“**Costs of Issuance**” means any item of expense payable or reimbursable, directly or indirectly, by the Board and related to the authorization, offering, sale, issuance and delivery of CFC Bonds, including but not limited to travel and other expenses of any officer or employee of the Board or the Airport in connection with the authorization, offering, sale, issuance and delivery of such CFC Bonds, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of the Trustee, legal fees and disbursements, fees and disbursements of the Independent Airport Consultant, the Independent Accountant and the Consulting Engineer to the extent such fees and disbursements are not included in the Costs of the PFC Project, fees and disbursements of other consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of CFC Bonds, application fees, premiums, charges, and the reasonable expenses and costs incurred by the Companies, including their consultants, advisors and attorneys in connection with the issuance of the CFC Bonds and the CFC Projects to the extent such expenses and costs are not included in the Costs of the PFC Project. Costs of Issuance shall not include Administrative Costs.

“**Costs of Issuance Fund**” means any such fund created pursuant to the provisions of Section 301(1)(i) and described in Section 310 for a particular Series of CFC Bonds.

“**Costs of the PFC Project**” means all costs incident to the provision of the particular CFC Project and the financing thereof now or hereafter permitted as authorized by a particular Supplemental Indenture.

“**Counsel’s Opinion**” means a written opinion of Bond Counsel selected by the Board.

“**Coverage Fund**” means the Coverage Fund established with the Trustee pursuant to Article III.

“**Coverage Fund Requirement**” means an amount equal to 25% of the Maximum Annual Debt Service.

“**Credit Facility**” means, any instrument, such as a policy of municipal bond insurance, financial guaranty bond insurance, an irrevocable letter of credit, surety bond or guarantee issued by a financial institution which provides security for payment of the principal of and interest on any CFC Bonds when due and any such instrument given in replacement or substitution therefor.

“**Credit Provider**” means the provider of a Credit Facility for a Series of CFC Bonds specified in a Supplemental Indenture providing for the issuance of such Series of CFC Bonds or in any alternate or replacement Credit Facility.

“**Date of Issuance**” means October 30, 2018 with respect to the Series 2018 CFC Bonds.

“**Debt Service Account**” means the Debt Service Account that may be established in the Debt Service Fund for a Series of CFC Bonds and as may be established in a Supplemental Indenture.

“**Debt Service Fund**” means the Debt Service Fund established with the Trustee pursuant to Article III.

“**Debt Service Reserve Account**” means any Debt Service Reserve Account established in the Debt Service Fund for a Series of CFC Bonds.

“**Debt Service Reserve Account Surety Policy**” means a letter of credit, surety bond or non-cancelable insurance policy issued by a domestic or foreign bank, insurance company or other financial institution whose debt obligations are rated by at least one Rating Agency “Aa” or better by Moody’s, or “AA” or better by Fitch or S&P, as of the date of issuance thereof to the Board to satisfy in whole or in part the Debt Service Reserve Requirement. Any such letter of credit, surety bond or insurance policy shall be issued in the name of the Trustee and shall contain no restrictions on the ability of the Trustee to receive payments thereunder other than a certification of the Trustee that the funds drawn thereunder are to be used for purposes for which moneys in the Debt Service Reserve Account may be used.

“**Debt Service Reserve Requirement**” means the amount calculated with respect to a Series of CFC Bonds by determining the least of:

- (i) the Maximum Annual Debt Service coming due in any Bond Year;
- (ii) 125% of average annual Aggregate Debt Service; or
- (iii) 10% of the original principal amount.

PROVIDED HOWEVER, in no event shall the Debt Service Reserve Requirement for any CFC Bonds which are Tax-Exempt Bonds calculated or recalculated at the times required exceed the maximum amount permitted under the Code as a reasonably required reserve for Tax-Exempt Bonds.

“**Defeasance Obligation**” means direct non-callable obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, to which direct obligation or guarantee the full faith and credit of the United States of America has been pledged, Refcorp interest strips, CATS, TIGRS, STRPS, or non-callable defeased municipal CFC Bonds rated “AAA” by any Rating Agency.

“**Director of Aviation**” means the Director of Aviation of the Airport, or any person authorized by the Director of Aviation in writing to act on his or her behalf or any successor or successors to the duties of any such official.

“**Disbursement Certificate**” means a certificate in substantially the form attached to a Supplemental Indenture and signed by an Authorized Officer.

“**Event of Default**” means an Event of Default under Section 701.

“**Facilities Lease**” means the lease of a portion of the Consolidated Facility to a Company as supplemented and amended.

“**Facility**” means a Credit Facility or a Liquidity Facility.

“**Favorable Tax Opinion**” means an opinion of Bond Counsel acceptable to the Board and the Trustee to the effect that any proposed action or inaction will not adversely affect the exclusion of the interest on any Tax-Exempt Bonds from gross income for federal income tax purposes.

“**Federal Obligation**” means any direct obligation of, or any obligation the full and timely payment of principal of and interest on which is guaranteed by, the United States of America.

“**Fiscal Year**” means January 1 through December 31 of any year, or such other fiscal year as the Board may adopt.

“**Fixed Rate**” means interest rates on Bonds which are fixed and do not vary through the maturity of such Bonds.

“**Funds**” means the special funds created and established pursuant to Article III.

“**GARB Indenture**” means the General Revenue Bond Trust Indenture among the Board, the City and the Trustee dated as of February 1, 2009, as supplemented and amended by Supplemental Indentures.

“**Ground Rental Repayment Amount**” means the payments equal to the amount of Ground Rentals paid by all of the Companies for such Bond Year.

“**Ground Rentals**” means the payments to be made by the Companies pursuant to Facilities Leases as compensation to the Board for the use of the ground upon which the Consolidated Facility is located.

“**Independent Accountant**” means a certified public accountant selected by the Board and licensed to practice in the State of Louisiana, and who (a) in the case of an individual, shall not be an officer or employee of the City, (b) shall be satisfactory to the Trustee and (c) may be the accountant that regularly audits the books of the City and/or the Airport.

“**Independent Airport Consultant**” means any one or more consultants selected by the Board with expertise in the administration, financing, planning, maintenance and operations of airports and facilities thereof and qualified to review and assess the anticipated CFC Revenues and

recommend to the Board the amount of the CFC, and Contingent Rent or Supplemental Facility Charges, if required, and who, in the case of an individual, shall not be a Commissioner, City Council Member, or an officer or employee of the Board or the City.

“Infrastructure Improvements” means the design and construction of infrastructure improvements to be made to the Airport in order to accommodate and make any CFC Project including without limitation, the Consolidated Facility, functional and/or efficient.

“Insurance and Condemnation Proceeds Fund” means the Insurance and Condemnation Proceeds Fund established with the Trustee pursuant to Article III.

“Insurance Policy” means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2018 CFC Bonds when due. The Insurance Policy shall constitute a Credit Facility for all purposes of the CFC Master Indenture.

“Insurer” means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof. The Insurer shall constitute a Credit Provider or a Provider, as appropriate, for all purposes of the CFC Master Indenture.

“Interest Payment Date” means January 1 and July 1 of each year commencing on January 1, 2019 any Payment Date on which interest on any Bond is payable.

“Lessee” means any rental car operator or lessor of Motor Vehicles contracting with the Board pursuant to a Facilities Lease for a portion of the Consolidated Facility or any other CFC Project and its successors as lessee under any Facilities Lease.

“Liquidity Facility” means any instrument such as a standby bond purchase agreement, an irrevocable or revocable letter of credit, a committed line of credit, or an insurance policy, which provides for payment of the Purchase Price of Tender Bonds delivered to the Paying Agent pursuant to any Supplemental Indenture.

“Liquidity Provider” means the provider of a Liquidity Facility.

“Maintenance Reserve Fund” means the Maintenance Reserve Fund established with the Trustee pursuant to Article III.

“Maintenance Reserve Fund Deposit Requirement” means an initial deposit equal to \$1,500,000 on the Date of Issuance of the Series 2018 CFC Bonds with no further deposit until a Physical Needs Assessment designates an adjustment to pay the costs of capital repairs and replacements of the Consolidated Facility over a twenty (20) year period from the date of such Physical Needs Assessment.

“Manager” means the entity charged with the responsibility of operating the Consolidated Facility pursuant to the provisions of the Facilities Leases.

“Manager Budget” means the budget required to be prepared by the Manager reflecting the O&M Expenses for each Bond Year as required by Facility Leases and as such term is used in Section 308 hereof.

“Maximum Annual Debt Service” means the maximum Annual Debt Service with respect to the CFC Bonds Outstanding or a Series of CFC Bonds Outstanding thereof during any Bond Year.

“Maximum Rate” means with respect to any Variable Rate CFC Bond the maximum interest rate payable on such Variable Rate CFC Bonds during the term thereof as provided in the applicable Supplemental Indenture.

“Moody’s” mean Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and any successor thereto which is a nationally recognized statistical rating organization.

“Motor Vehicle” means every vehicle which is self-propelled and every vehicle which is propelled by electric power obtained from overhead trolley wires, but not operated upon rails, except for vehicles moved solely by human power and motorized wheelchairs.

“North Terminal” means the passenger terminal and other related enabling facilities located on the North side of the Airport.

“O&M Expenses” means all of the costs of operating and maintaining the Common Areas of the Consolidated Facility included in the Manager’s Budget.

“O&M Payments” means an amount equal to actual O&M Expenses for such Bond Year.

“O&M Repayment Amount” means an amount equal to actual O&M Expenses for such Bond Year.

“On-Airport Concession License Agreement” means the New Orleans Aviation Board Car Rental Concession Agreement entered into by the Board and an On-Airport Rental Car Company, as supplemented and amended.

“On-Airport Rental Car Company” means any rental car company or business that enters into an On-Airport Concession License Agreement authorizing such Company to operate a rental car concession at and from the Airport.

“Outstanding” when used with reference to the CFC Bonds, means, as of any date, all CFC Bonds of any Series theretofore or thereupon being issued under this CFC Master Indenture except:

(a) CFC Bonds canceled by the Trustee at or prior to such date or theretofore delivered to the Trustee or the Board, as the case may be, for cancellation;

(b) CFC Bonds (or portions of CFC Bonds) for the payment or redemption of which there shall be held in trust and set aside for such payment or redemption (whether at, prior to or after the maturity or redemption date) moneys or Defeasance Obligations the principal of and interest on which when due or payable will provide moneys, together with the moneys, if any, deposited with the Trustee at the same time, in an amount sufficient to pay the principal or Redemption Price thereof, as the case may be, with

interest to the date of maturity or redemption date, and, if such CFC Bonds are to be redeemed, for which notice of such redemption shall have been given as provided in the related Supplemental Indenture or provisions satisfactory to the Trustee shall have been made for the giving of such notice;

(c) CFC Bonds for the transfer or exchange of, in lieu of or in substitution for which other CFC Bonds shall have been authenticated and delivered pursuant to the related Supplemental Indenture; and

(d) CFC Bonds deemed to have been paid as provided in Section 901.

CFC Bonds which are owned by the Board which are not described above are not deemed to be Outstanding relating to consents pursuant to Section 605.

“Owner” or “Bondowner” or “Bondholder” means the person in whose name any Bond or Subordinated CFC Bond is registered on the records maintained by the Trustee as paying agent registrar; provided however that with respect to consents required to make supplements and amendments to any of (i) this CFC Master Indenture, or (ii) any Supplemental Indenture, and the exercise of remedies after an event of default, the Provider of any Credit Facility for any particular Series of CFC Bonds or Subordinated CFC Bonds shall be deemed to the sole Bondowner for purposes of granting any such consent or the exercise of a remedy after an Event of Default and shall be notified in advance of the adoption of any resolution supplemental or amendatory hereto, upon the occurrence of any Event of Default and the election of any remedy whether or not the consent of the Owners is required.

“Payment Date” means any date on which a Principal Installment or interest on any Series of CFC Bonds is payable in accordance with its terms and the terms of this CFC Master Indenture and the Supplemental Indenture creating a Series of CFC Bonds.

“Person” means any association, individual, corporation, governmental entity, partnership, joint venture, business association, estate or any other organization or entity.

“Physical Needs Assessment” means an inspection report of the Consolidated Facility by a licensed architect or engineer to be completed not later than thirty (30) days prior to the end of each five (5) year period ending December 31, provided that the first Physical Needs Assessment shall be completed by November 1, 2023, which (i) identifies the age and condition of the Consolidated Facility and related major systems, (ii) specifies the required capital repairs and/or replacements of components and systems (including the estimated costs of each) over at least the next twenty (20) years, (iii) estimates the useful remaining life of the Consolidated Facility and related major systems following their repair, and (iv) specifies the minimum amount which must be deposited each month to the Maintenance Reserve Fund when combined with the existing cash balance therein over twenty (20) years to pay for such capital repairs and replacements at the end of component or system life cycles.

“Pledged Funds” means collectively the Collection Account, the Construction Fund, the Debt Service Fund and the Debt Service Accounts and any Debt Service Reserve Accounts created therein, the Coverage Fund, and the Surplus Fund created in Article III hereof which are

pledged to and held for the benefit of the Owners of CFC Bonds and are included within the Trust Estate.

“Principal Installment” means, as of any particular date of computation and with respect to CFC Bonds of a particular Series, an amount of money equal to the aggregate of (i) the principal amount of Outstanding CFC Bonds of said Series which mature on a single future date, reduced by the aggregate principal amount of such Series which would at or before said future date be retired by reason of the payment when due and the application in accordance with this CFC Master Indenture and the Supplemental Indenture creating such Series of Sinking Fund Payments payable at or before said future date for the retirement of such Series plus (ii) the amount of any Sinking Fund Payments payable on said future date for the retirement of such Series, and said future date shall, for all purposes hereof, be deemed to be the date when such Principal Installment is payable and the date of such Principal Installment.

“Principal Office” means with respect to The Bank of New York Mellon Trust Company, N.A. its corporate trust office in Baton Rouge, Louisiana and with respect to any successor Trustee its designated corporate trust office.

“Principal Payment Date” means any Payment Date on which principal on any CFC Bonds is payable.

“Provider” means the provider of any Credit Facility, Debt Service Reserve Account Surety Policy, Liquidity Facility or any other credit enhancement device.

“Purchase Price” shall mean the total sum due the Owner of any Tender Bond tendered or deemed tendered or purchased by the Board pursuant to the provisions of the applicable Supplemental Indenture.

“Qualified Collateral” means:

(a) Federal Obligations;

(b) direct and general obligations of any state of the United States of America or any political subdivision of the State of Louisiana which are rated not less than “AA” or “Aa” or their equivalents by any Rating Agency; and

(c) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America.

“Qualified Investments” means to the extent permitted by applicable law of the State:

(a) Federal Obligations;

(b) deposits in interest-bearing deposits or certificates of deposit or similar arrangements issued by any bank or national banking association, including the Trustee or an affiliate of the Trustee, which deposits, to the extent not insured by the Federal Deposit Insurance Corporation, shall be secured by Qualified Collateral having a current market value (exclusive of accrued interest) at least equal to 110% of the amount of such deposits, marked to market monthly, and which Qualified Collateral shall have been deposited in trust by such bank or national banking association with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of an Authorized Officer of the Board and the Trustee, with another bank, trust company or national banking association for the benefit of the Board and the appropriate Fund or Account as collateral security for such deposits;

(c) direct and general obligations of any state of the United States of America or any political subdivision of the State of Louisiana which are rated not less than “AA” or “Aa” or their equivalents by any Rating Agency;

(d) obligations issued by any of the following agencies: Banks for Cooperatives, Federal Intermediate Credit Banks, Federal Home Loan Banks System, Federal Land Banks, Export Import Bank, Tennessee Valley Authority, Government National Mortgage Association, Farmers Home Administration, United States Postal Service, the Federal National Mortgage Association to the extent that such obligations are guaranteed by the Government National Mortgage Association, any agency or instrumentality of the United States of America and any corporation controlled and supervised by, and acting as an agency or instrumentality of, the United States of America;

(e) public housing bonds issued by public housing authorities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America, or project notes issued by public housing authorities, or project notes issued by local public agencies, in each case fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

(f) any repurchase agreements collateralized by securities described in clauses (a) or (d) above with any registered broker/dealer subject to the Securities Investors’ Protection Corporation jurisdiction or any commercial bank, including the Trustee or an affiliate of the Trustee, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated (an “unsecured rating”) Prime-1 and A or better by Moody’s or A-1 or A3 or better by S&P provided (1) a specific written agreement governs the transaction; (2) the securities are held by a depository acting solely as agent for the Trustee, and such third party is (a) a Federal Reserve Bank, or (b) a bank which is a member of the Federal Deposit Insurance Corporation and with combined capital, surplus and undivided profits of not less than \$25,000,000, and the Trustee shall have received written confirmation from such third party that it holds such securities; (3) a perfected first security interest under the Uniform Commercial Code, or book entry procedures prescribed at 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. in such securities is created for the benefit of the Trustee; (4) the repurchase agreement has a term of one year or less, or the collateral securities will be valued no less frequently than monthly and will be liquidated if any deficiency in the required collateral percentage is not restored within two business days of such valuation; (5) the repurchase agreement matures at least 10 days (or other appropriate liquidation

period) prior to a Payment Date; and (g) the fair market value of the securities in relation to the amount of the repurchase obligations, including principal and interest, is equal to at least 100%;

(g) shares of an Investment Company, organized under the Investment Company Act of 1940 as amended, which invests its assets exclusively in obligations of the type described in clauses (a) to (e), including, without limitation any money market mutual fund for which the Trustee or an affiliate of the Trustee serves as an investment manager, administrator, shareholder servicing agent, and/or custodian or sub custodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this CFC Master Indenture, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this CFC Master Indenture may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee; provided however, the Trustee shall not be paid fees for the same services by both the money market fund and as Trustee; and

(h) Investment agreements which represent the unconditional obligation of one or more banks, insurance companies or other financial institutions, or are guaranteed by a financial institution, in either case that has an unsecured rating, or which agreement is itself rated, as of the date of execution thereof, at least “AA” or “Aa” by at least one of Fitch, Moody’s or S&P.

“**Rate Consultant’s Report**” means the report required to be prepared by the Independent Airport Consultant pursuant to Section 402 hereof.

“**Rate Covenant**” means that Revenues must equal at least both (i) CFC Costs and (ii) calculated separately an amount equal to 135% of Aggregate Debt Service for the applicable Bond Year after taking into account the amounts in the Coverage Fund which do not exceed 25% of Maximum Annual Debt Service (A) on the last Business Day of the ninth (9th) calendar month of any Bond Year with respect to the next ensuing Bond Year for the purposes of Section 402(c) hereof and (B) at the time of any such calculation during the then current Bond Year for the current Bond Year as required in Section 402(d) hereof.

“**Rating Agency**” means any rating agency that has an outstanding credit rating assigned to any CFC Bonds at the request of the Board, initially Moody’s and S & P.

“**Redemption Price**” means, with respect to any Series of CFC Bonds, the principal amount thereof plus the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such CFC Bonds or the Supplemental Indenture creating such Series of CFC Bonds, or such other redemption price as may be specified in such CFC Bonds or Supplemental Indenture.

“**Refunding CFC Bonds**” means any CFC Bonds, whether issued in one or more Series, authenticated and delivered on original issuance for the purpose of refunding CFC Bonds of any Series.

“**Registration Books**” mean the books or records of the registration and transfer of the CFC Bonds kept by the Trustee as bond registrar pursuant to this CFC Master Indenture.

“Revenue Fund” means the Revenue Fund established with the Trustee pursuant to Article III.

“Revenues” means (a) all proceeds from the CFC and any Supplemental Facility Charges to be collected by On-Airport Rental Car Companies, including Contingent Rent, (b) all earnings on moneys and investments in the Revenue Fund, the Surplus Fund, the Debt Service Fund, the Coverage Fund and such earnings in other Funds and Accounts that are required to be transferred to the Revenue Fund or the Surplus Fund pursuant to Section 314(g), (c) all amounts required to be transferred to the Revenue Fund or the Debt Service Accounts by this CFC Master Indenture or the applicable Supplemental Indenture for any Series of CFC Bonds, and (d) any additional fees or other revenues pledged in the future as security for one or more series of CFC Bonds, or other obligations issued hereunder and the amount of any such pledged security shall constitute Revenues with respect to the Rate Covenant of Section 402 hereof. The term “Revenues” does not include (i) O&M Payments, (ii) any amounts held in the Administrative Costs Fund and earnings on amounts attributable to the Administrative Costs Fund, (iii) any amounts held in the Maintenance Reserve Fund and earnings on amounts attributable to the Maintenance Reserve Fund, (iv) earnings on amounts attributable to the Costs of Issuance Fund or the Construction Fund until said amounts are required to be transferred to the Surplus Fund pursuant to Section 314(g), (v) all proceeds from drawings on Credit Facilities and Liquidity Facilities, and (vi) any amounts held in the Insurance and Condemnation Proceeds Fund and any earnings on amounts attributable to the Insurance and Condemnation Proceeds Fund.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., duly organized and existing under and by virtue of the laws of the State of New York, and any successor thereto which is a nationally recognized statistical rating organization.

“Series” means any of the Bonds authenticated and delivered on original issuance pursuant to this Restated Master Indenture or a Supplemental Indenture and designated as a Series therein.

“Series 2018 CFC Bonds” means the \$82,565,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Refunding Bonds (Consolidated Rental Car Project) Series 2018 (Non-AMT).

“Series 2018 CFC Bonds Debt Service Reserve Requirement” means, initially, \$7,693,175, and recalculated upon any refunding of less than all of the then Outstanding Series 2018 CFC Bonds.

“Series 2009 CFC Bonds” means the Outstanding New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project) Series 2009 A (Non-AMT).

“Series 2009 Escrow Fund” means the account by that name established in the Series 2009 Escrow Deposit Agreement.

“Series 2009 Escrow Deposit Agreement” means the Defeasance and Escrow Deposit Agreement by and between the Board and the Trustee as escrow paying agent for the Series 2009 CFC Bonds, dated and effective as of October 30, 2018.

“Service Centers” means the portion of the Consolidated Facility constituting rental car service areas to be utilized by the On Airport Rental Car Companies for the maintenance, cleaning, conditioning, servicing, vehicle storage, washing, and fueling of rental cars with no damaged vehicles: in view of the public.

“Shuttle Bus Manager” means SP+ Global MSY Joint Venture, and its successors and assigns.

“Sinking Fund Date” means the date any Sinking Fund Payment is required to be made by the provisions of the applicable Supplemental Indenture.

“Sinking Fund Payment” means, as of any particular date of determination and with respect to the Outstanding CFC Bonds of any Series the amount required by this CFC Master Indenture or by a Supplemental Indenture creating such Series of CFC Bonds to be paid by the Board on a single future date for the retirement of such CFC Bonds which mature after said future date, but does not include any amount payable by the Board by reason only of the maturity of a Bond.

“Special Facility” means any existing or planned facility, structure, equipment or other property, real or personal, which is or is to be located at the Airport or a part of any facility or structure located at the Airport and is designated as such by the Board in accordance with the provisions of the GARB Indenture.

“State” means the State of Louisiana.

“Subordinated CFC Bonds” means bonds secured by only the pledge of Revenues as provided for in Section 406 hereof.

“Supplemental Facility Charge” or **“Supplemental Facility Charges”** means the Contingent Rent or other supplemental facility charges payable by a Lessee pursuant to the Facilities Lease to the extent that the CFC Revenues collected for the applicable payment period under the Facilities Lease are less than the total amount of CFC Costs attributable to such payment period; provided however that the O&M Payment shall not be included within Supplemental Facility Charges.

“Supplemental Indenture” means an indenture supplemental to or amendatory of the CFC Master Indenture, including this CFC Master Indenture, executed and delivered by the Board, the City and the Trustee in accordance with Article V.

“Surplus Fund” means the Surplus Fund established with the Trustee pursuant to Article III.

“Tax Certificate” shall mean the certificate, non-arbitrage agreement or arbitrage rebate agreement or other document or writing concerning certain matters pertaining to the use of proceeds of a particular Series of Tax-Exempt Bonds executed and delivered by the Board or the Board and the Trustee on the date of issuance of the particular Series of Tax-Exempt Bonds, including any and all exhibits attached thereto.

“**Tax-Exempt Bonds**” means any series of CFC Bonds which, when issued, are accompanied by a Counsel’s Opinion to the effect that the interest thereon is excluded from gross income for federal income tax purposes.

“**Tender Bonds**” shall have the meaning given such term in Section 104 hereof.

“**Transaction Day**” shall mean a twenty-four (24) hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term as set forth in the CFC Resolution as amended from time to time. However, if the same rental car is rented to more than one customer within such continuous twenty-four (24) hour period, then each such rental shall be calculated as a “Transaction Day,” except that a partial day that is a grace period of no more than two (2) hours after the last 24-hour day booked shall not be considered a Transaction Day.

“**Trustee**” means The Bank of New York Mellon Trust Company, N.A. as trustee hereunder, or its successor as such trustee hereafter appointed in the manner provided in this CFC Master Indenture.

“**Trust Estate**” means the Revenues and property pledged and/or conveyed to the Trustee pursuant to the Granting Clauses hereof, including CFC Revenues, Contingent Rent, if any, and Supplemental Facility Charges, if any, the Facilities Leases, and the Pledged Funds.

“**2009 CFC Master Indenture**” means the Customer Facility Charge Master Revenue Bond Trust Indenture dated as of December 1, 2009 among the Board, the City and the Trustee.

“**Variable Rate**” means an interest rate on a Series of CFC Bonds which rate is subject to change from time to time as specified in the applicable Supplemental Indenture.

“**Variable Rate CFC Bonds**” mean any Series of CFC Bonds the interest on which is not established at a Fixed Rate at the time such Series of CFC Bonds are issued.

SECTION 102. Interpretation. In this CFC Master Indenture, unless the context otherwise requires:

(i) The terms “hereby,” “hereof,” “hereto,” “hereunder,” “herein” and any similar terms used herein refer to this CFC Master Indenture, and the term “hereafter” shall mean after, and the term “heretofore” shall mean before, the date of this CFC Master Indenture.

(ii) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

(iii) Words importing persons shall include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(iv) Any percentage of CFC Bonds, for purposes of this CFC Master Indenture, shall be computed on the basis of the unpaid principal amount of CFC Bonds Outstanding at the time the computation is made or is required to be made hereunder.

(v) The term “principal” when used in connection with a Capital Appreciation Bond shall mean as of a particular date, the original principal amount of such Capital Appreciation Bond as of its date of issuance plus interest accreted thereon to such particular date.

(vi) Any headings preceding the text of the several Articles and Sections of this CFC Master Indenture, and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall not constitute a part of this CFC Master Indenture, nor shall they affect its meaning, construction or effect.

(vii) Articles and Sections mentioned by number only are the respective Articles and Sections of this CFC Master Indenture so numbered.

SECTION 103. Variable Interest Rates. For the purpose of determining Annual Debt Service, interest on variable rate indebtedness, including any Variable Rate CFC Bond, shall be calculated at the highest of: (i) the actual rate on the date of calculation, or if the indebtedness is not yet outstanding, the initial rate (if established and binding), (ii) if the indebtedness has been outstanding for at least 12 months, the average rate over the 12 months immediately preceding the date of calculation and (iii) the interest rate on Federal Obligations with comparable maturities plus 50 basis points; *provided that*, if such Variable Rate CFC Bond is a Tax-Exempt Bond, the weekly rate of interest shown in the most recently published Revenue Bond Index published in *The Bond Buyer* or comparable index if the Revenue Bond Index is no longer published.

SECTION 104. Tender Option Bonds. The Board may issue Bonds and Subordinated CFC Bonds subject to tender at the option of the Owner (“**Tender Bonds**”) and may provide in the applicable Supplemental Indenture whether the payment of the Purchase Price for such Tender Bonds is to be provided pursuant to a Liquidity Facility issued by a Provider. Any provider of a Liquidity Facility shall have its obligations rated in one of the two highest short-term rating categories assigned by any Rating Agency or as otherwise provided in the applicable Supplemental Indenture.

SECTION 105. Severability of Invalid Provisions. If any one or more of the covenants or agreements provided in this CFC Master Indenture on the part of the Board or the Trustee to be performed should be contrary to law, then such covenant or covenants or agreement or agreements shall be deemed separable from the remaining covenants and agreements hereof and shall in no way affect the validity of the other provisions of this CFC Master Indenture or of the CFC Bonds.

SECTION 106. Successors and Assigns. Whenever in this CFC Master Indenture the Board is named or referred to, it shall and shall be deemed to include its successors and assigns whether so expressed or not. All of the covenants, stipulations, obligations and agreements by or on behalf of, and other provisions for the benefit of, the Board contained in this CFC Master

Indenture shall bind and inure to the benefit of such successors and assigns and shall bind and inure to the benefit of any officer, board, commission, authority, agent or instrumentality to whom or to which there shall be transferred by or in accordance with law any right, power or duty of the Board, or of its successors or assigns, the possession of which is necessary or appropriate in order to comply with any such covenants, stipulations, obligations, agreements or other provisions of this CFC Master Indenture.

SECTION 107. Parties Interested Herein. Nothing in this CFC Master Indenture expressed or implied is intended or shall be construed to confer upon, or to give to, any person or corporation, other than the Board, the Trustee, the Owners of the CFC Bonds, any Credit Provider, and any Liquidity Provider, any right, remedy or claim under or by reason of this CFC Master Indenture or any covenant, condition or stipulation thereof. All the covenants, stipulations, promises and agreements in this CFC Master Indenture contained by and on behalf of the Board shall be for the sole and exclusive benefit of the Board, the Trustee, any Credit Provider, any Liquidity Provider, and the Owners of the CFC Bonds.

ARTICLE II. AUTHORIZATION AND ISSUANCE OF CFC BONDS

SECTION 201. Authorization for CFC Master Indenture. This CFC Master Indenture is executed by the Board as a supplement and complete amendment of the 2009 CFC Master Indenture pursuant to the Act and provisions of a resolution adopted on June 21, 2018 by its Commissioners acting as the governing authority thereof and approved by the City Council by its Resolution No.R18-277 adopted on July 12, 2018.

SECTION 202. CFC Master Indenture to Constitute Contract. In consideration of the purchase and acceptance of CFC Bonds by those who shall hold the same from time to time, the provisions of this CFC Master Indenture and any applicable Supplemental Indenture shall be a part of the contract of the Board with the Owners of CFC Bonds and shall be deemed to be and shall constitute a contract between the Board, the Trustee and the Owners from time to time of the CFC Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed by or on behalf of the Board, the City and the Trustee shall be for the equal benefit, protection and security of the Owners of the CFC Bonds.

SECTION 203. Authorization of CFC Bonds.

The Series 2018 CFC Bonds are issued to refund the Series 2009 CFC Bonds. The Series 2018 CFC Bonds shall be issued under this CFC Master Indenture as \$82,565,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Refunding Bonds (Consolidated Rental Car Project) Series 2018. The Series 2018 CFC Bonds shall be dated the date of their original issuance, shall be issued in fully registered form as set forth in **Exhibit A** hereto, shall bear interest from their dated date on the basis of twelve 30-day months and a 360-day year, shall be issued in Authorized Denominations being numbered R-1 upwards, and shall mature (subject to prior redemption as hereinafter set forth) on January 1 of the years and in the principal amounts and shall bear interest at the Fixed Rates as follows:

\$82,565,000
NEW ORLEANS AVIATION BOARD
Gulf Opportunity Zone CFC Revenue Refunding Bonds
(Consolidated Rental Car Project)
Series 2018 (Non-AMT)

BASE CUSIP†: 64763X

<u>Maturity (January 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
2025	\$1,385,000	5.000%	2.890%	111.841	AK6
2026	3,765,000	5.000%	3.010%	112.742	AL4
2027	3,955,000	5.000%	3.130%	113.383	AM2
2028	4,150,000	5.000%	3.250%	113.775	AN0
2029	4,360,000	5.000%	3.350%	112.929 ^C	AP5
2030	4,575,000	5.000%	3.460%	112.007 ^C	AQ3
2031	4,810,000	5.000%	3.550%	111.259 ^C	AR1
2032	5,045,000	5.000%	3.630%	110.599 ^C	AS9
2033	5,300,000	5.000%	3.690%	110.107 ^C	AT7
2034	5,565,000	5.000%	3.740%	109.699 ^C	AU4
2035	5,840,000	5.000%	3.790%	109.293 ^C	AV2
2036	6,135,000	5.000%	3.820%	109.050 ^C	AW0
2037	6,440,000	5.000%	3.870%	108.647 ^C	AX8
2038	6,760,000	5.000%	3.910%	108.326 ^C	AY6
2039	7,100,000	4.000%	4.220%	97.027	AZ3
2040	7,380,000	4.125%	4.250%	98.261	BA7

^C Priced to the first par call date of January 1, 2028.

The CFC Bonds shall be dated the date of their original issuance and delivery and shall bear interest from their dated date or from the Interest Payment Date next preceding the date of registration thereof unless it is registered as of a day during the period from the Record Date immediately preceding an Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall be the date such CFC Bond is registered. The interest due on any Bond on any Interest Payment Date shall be paid by check or draft mailed to the holder of such Bond as shown on the registration books kept by the Registrar and Paying Agent as of the close of business on the Regular Record Date, except that, at any time, at the written request of any holder of CFC Bonds in an aggregate principal amount of at least \$1,000,000, any payment of interest on the CFC Bonds owned by such Bondholder may be transmitted by wire transfer to such Bondholder to the bank account number on file with the Trustee as Registrar and Paying Agent. If any payment of the principal or Redemption Price of, or interest on, the Bonds is due on any Interest Payment Date that is not a Business Day, such payment will be made on the immediately succeeding Business Day, and no interest will accrue on the amount of such payment during the intervening period. Any interest on this CFC Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Bondholders shown on the registration books as of the Regular Record Date and such Defaulted Interest shall be paid, pursuant to the Indenture, to the Bondholders shown on the

registration books at the close of business on a “special record date” (which shall be a Business Day) to be fixed by the Registrar and Paying Agent for determining the Bondholders entitled to such payments as provided in the Indenture.

The principal or Redemption Price of each Bond shall be payable in such coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America upon surrender thereof at the principal corporate trust office of the Registrar and Paying Agent. Such payments shall be made to the holder of the CFC Bond so surrendered, as shown on the registration books of the Registrar and Paying Agent on the day of payment.

THE CFC BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE BOARD AND ARE SECURED BY AND PAYABLE SOLELY FROM THE TRUST ESTATE AND SHALL NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER. NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE, OR THE INTEREST ON THE BONDS. THE CFC BONDS ARE NOT A GENERAL OBLIGATION OF THE BOARD (WHICH HAS NO TAXING POWER).

No recourse shall be had for the payment of principal of or interest or premium, if any, on the CFC Bonds or for any claim based thereon or upon any indenture, against any past, present or future official, officer or employee of the Board or any successor entity, as such, either directly or through the Board, or any successor entity, under any rule or law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise; and all such liability of any such official, officer or employee, as such, is hereby expressly waived and released as a condition of and in consideration for the issuance of the CFC Bonds.

SECTION 204. Redemption of Series 2018 CFC Bonds.

(a) Optional Redemption: The Series 2018 CFC Bonds maturing on and after January 1, 2029 are subject to redemption prior to maturity on or after January 1, 2028 as a whole or in part on any date. The maturity of said Series 2018 CFC Bonds to be redeemed are to be designated by the Aviation Board and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount hereof, plus accrued interest to the redemption date.

(b) Extraordinary Optional Redemption: The Series 2018 CFC Bonds are subject to redemption in whole or in part, on any date, to the extent of insurance proceeds, condemnation awards, proceeds of conveyances in lieu of condemnation, and proceeds from disposition of property (or other similar amounts) received in respect of all or any portion of Consolidated Facility deposited in the Insurance and Condemnation Proceeds Fund and available for such purpose at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date. All net Insurance Proceeds shall be applied in accordance with written instructions from the Board and the On-Airport Rental Car Companies under the Facilities Leases at the option of the Board either (i) to the Extraordinary Optional Redemption of the Bonds or (ii)

to the restoration of all or a portion of the Consolidated Facility, except that any surplus Insurance Proceeds shall be applied to the Extraordinary Optional Redemption of the Series 2018 CFC Bonds.

SECTION 205. Notice of Redemption of Series 2018 CFC Bonds.

(a) Except as hereinafter provided, a copy of the notice of the call for any redemption identifying the Series 2018 CFC Bonds to be redeemed shall be given by first class mail, postage prepaid, not less than 30 nor more than 60 days prior to the date fixed for redemption to the Owners of the Series 2018 CFC Bonds to be redeemed at their addresses as shown on the Bond Register. Such notice shall specify the date fixed for redemption, the Redemption Price, the place and manner of payment, and that from the date fixed for redemption interest will cease to accrue on the Series 2018 CFC Bonds which are the subject of such notice, and shall include such other information as the Trustee shall deem appropriate or necessary at the time such notice is given to comply with any applicable law, regulation or industry standard. Other than in connection with a mandatory sinking fund redemption as specified above, prior to the date that the redemption notice is first given as aforesaid, funds shall be placed with the Trustee to pay such Series 2018 CFC Bonds, any premium thereon, and accrued interest thereon to the date fixed for redemption, or such notice shall state that any redemption is conditional on such funds being deposited on the date fixed for redemption, and that failure to deposit such funds shall not constitute an Event of Default under the Indenture; any funds so deposited with the Trustee shall be invested solely in Federal Obligations maturing no later than the date fixed for redemption.

(b) In addition to the requirements of subsection (a), notice of the redemption of Series 2018 CFC Bonds or any portion thereof identifying the Series 2018 CFC Bonds or portions thereof to be redeemed shall specify (i) the series name and designation and certificate numbers of Series 2018 CFC Bonds being redeemed, (ii) the CUSIP numbers of the Series 2018 CFC Bonds being redeemed, (iii) the principal amount of Series 2018 CFC Bonds being redeemed and the redeemed amount for each certificate (for partial calls), (iv) the date fixed for redemption, (v) the Redemption Price, (vi) the Date Of Issuance, (vii) the interest rate and Stated Maturity of the Series 2018 CFC Bonds being redeemed, (viii) the date of mailing of notices to Owners and information services, and (ix) the name of the employee of the Trustee which may be contacted with regard to such notice.

(c) Redemption notices shall also be forwarded by registered mail, telecopier or overnight delivery service to the Securities Depository with the intention that they be received at least two days prior to the date of mailing of notices to Owners.

(d) Failure to give notice in the manner prescribed hereunder with respect to any Series 2018 CFC Bonds, or any defect in such notice, shall not affect the validity of the proceedings for redemption for any Series 2018 CFC Bonds with respect to which notice was properly given. Upon the happening of the above conditions and if sufficient moneys are on deposit with the Trustee on the applicable date fixed for redemption to redeem the Series 2018 CFC Bonds to be redeemed and to pay interest due thereon and premium, if any, the Series 2018 CFC Bonds thus called shall not, after the applicable date fixed for redemption, bear interest, be protected by the Indenture or be deemed to be Outstanding under the provisions of the Indenture.

(e) If any Series 2018 CFC Bonds is transferred or exchanged on the Bond Register after notice has been given calling such Series 2018 CFC Bonds for redemption, the Trustee will attach a copy of such notice to the Series 2018 CFC Bonds issued in connection with such transfer or exchange.

(f) No Partial Optional Redemption After Default: Anything in this CFC Master Indenture to the contrary notwithstanding, if there shall have occurred and be continuing an Event of Default of which an officer of the Trustee has actual knowledge, there shall be no optional redemption of less than all of the Series 2018 CFC Bonds at the time Outstanding.

(g) Selection of Series 2018 CFC Bonds for Redemption: If less than all of the Series 2018 CFC Bonds shall be called for redemption under any provision of this First Supplemental Indenture permitting such partial redemption, the particular Series 2018 CFC Bonds or portions thereof to be redeemed shall be selected in such order of maturity as the Board shall determine and within any maturity by lot. In selecting Series 2018 CFC Bonds for redemption, the Trustee shall treat each Series 2018 CFC Bonds as representing that number of Series 2018 CFC Bonds which is obtained by dividing the principal amount of such Series 2018 CFC Bonds by the minimum Authorized Denomination. If it is determined that one or more, but not all, of the integral multiples of the Authorized Denomination of principal amount represented by any Series 2018 CFC Bonds is to be called for redemption, then, upon notice of intention to redeem such integral multiple of an Authorized Denomination, the Owner of such Series 2018 CFC Bonds shall forthwith surrender such Series 2018 CFC Bonds to the Trustee for (a) payment to such Owner of the Redemption Price of the integral multiple of the Authorized Denomination of principal amount called for redemption, and (b) delivery to such Owner of a new Series 2018 CFC Refunding Bond or Series 2018 CFC Bonds in the aggregate principal amount of the unredeemed balance of the principal amount of such Series 2018 CFC Bonds. New Series 2018 CFC Bonds representing the unredeemed balance of the principal amount of such Series 2018 CFC Bonds shall be issued to the Owner thereof without charge therefor.

(h) Deposit of Funds for Redemption: For the redemption of any of the Series 2018 CFC Bonds, the Board shall cause to be deposited in the Debt Service Account moneys sufficient to pay when due the principal of, and premium, if any, and interest on, the Series 2018 CFC Bonds to be redeemed on or before the date fixed for redemption, to be applied in accordance with the provisions hereof

(i) Additional CFC Bonds: In order to provide sufficient funds for the financing or refinancing of CFC Projects, CFC Bonds are hereby authorized to be issued from time to time in one or more Series as hereinafter provided, without limitation as to amount except as may be limited by law, for any one or more of the following purposes (a) the payment, or the reimbursement for the payment of, the costs of one or more CFC Projects, (b) the refunding of any CFC Bonds or other obligations issued to finance or refinance one or more CFC Projects, or (c) the funding of any Fund or Account as specified in this CFC Master Indenture or the Supplemental Indenture under which any CFC Bonds are issued; including, in each case, payment of Costs of Issuance.

SECTION 206. Source of Payment; Pledge of Revenues and Other Moneys. CFC Bonds shall be legal, valid and binding limited obligations of the Board payable solely from the

amounts derived from the Facilities Leases (excluding Ground Rentals), Revenues, including CFC Revenues, Contingent Rent and any other Supplemental Facility Charges and certain other moneys and securities held by the Trustee under the provisions of this CFC Master Indenture and any Supplemental Indenture.

THE CFC BONDS AND THE INTEREST THEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR A LOAN OF CREDIT OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE STATE OF LOUISIANA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THE CFC BONDS.

A pledge of the Trust Estate, including the Revenues and the Pledged Funds to the extent set forth in the Granting Clauses hereof, and any and all other moneys and securities held or set aside or to be held or set aside by the Trustee pursuant to any Supplemental Indenture, to the extent set forth in this CFC Master Indenture or as may be set forth in a Supplemental Indenture, is hereby made, and the same are hereby pledged, to secure the payment of the principal and Redemption Price of, and interest on, the CFC Bonds, subject only to the provisions of this CFC Master Indenture or any Supplemental Indenture requiring or permitting the payment, setting apart or appropriation thereof for or to the purposes and on the terms, conditions, priorities and order set forth in or provided under this CFC Master Indenture or such Supplemental Indenture. This pledge shall be valid and binding from and after the date of issuance of any CFC Bonds hereunder. The Revenues so pledged and then or thereafter received by the Board and deposited as set forth in this CFC Master Indenture or any Supplemental Indenture shall immediately be subject to the lien of such pledge without any further physical delivery or further act; and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board, irrespective of whether such parties have notice thereof.

SECTION 207. Issuance of CFC Bonds; Supplemental Indentures. Each Series of CFC Bonds other than the Series 2018 CFC Bonds shall be created by a Supplemental Indenture which shall prescribe expressly or by reference with respect to such Series:

- (a) the authorized principal amount and Series designation of such CFC Bonds;
- (b) the purpose or purposes for which such Series is being issued;
- (c) the manner in which the proceeds of the CFC Bonds of such Series are to be applied;
- (d) the date or dates, and the maturity date or dates, of the CFC Bonds of such Series, or the manner of determining such dates;
- (e) the interest rate or rates to be borne by the CFC Bonds of such Series or the manner of determining such rate or rates, the Maximum Rate for any Series of Variable Rate CFC Bonds and the Interest Payment Dates of such Series;

(f) the manner of dating, numbering and lettering the CFC Bonds of such Series;

(g) the place or places of payment of the principal and Redemption Price, if any, of, and interest on, the CFC Bonds of such Series or the manner of designating the same;

(h) the Redemption Price or Prices, if any, of, and the redemption terms for the CFC Bonds of such Series, or the manner of determining such Redemption Price or Prices and terms;

(i) the amount and due date of each Sinking Fund Payment, if any, for CFC Bonds of like maturity of such Series, or the manner of determining such amounts and dates;

(j) provisions as to registration of the CFC Bonds of such Series;

(k) the form and text of the CFC Bonds of such Series and provision for the Trustee's authentication thereof by certificate or otherwise;

(l) any other provisions deemed advisable by the Board as shall not conflict with the provisions hereof;

(m) provision for (i) additional payments to the Debt Service Fund sufficient to provide for any principal and interest requirements resulting from the issuance of the Series of CFC Bonds including, in the event that interest on the Series of CFC Bonds is capitalized and/or to be paid from investment earnings, a requirement to deposit from the proceeds of the Series of CFC Bonds to the fund specified in the Supplemental Indenture amounts fully sufficient to pay interest on such Series of CFC Bonds during the period specified in the Supplemental Indenture, and (ii) satisfaction of the Debt Service Reserve Requirement, if any, by not later than the date required by the Supplemental Indenture authorizing such Series of CFC Bonds;

(n) Whether such Series of CFC Bonds are intended to be Tax-Exempt Bonds;

(o) The Credit Facilities and Liquidity Facilities applicable to such Series of CFC Bonds, if any; and

(p) The Debt Service Reserve Requirement for such Series.

SECTION 208. Conditions Precedent to Delivery of CFC Bond Series. CFC Bonds of any Series, other than the Series 2018 CFC Bonds which shall be issued upon satisfaction of the conditions set forth in sub-part (j) of this section, shall be executed by a designated officer of the Board and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Board or upon its order, but only following the receipt by the Trustee of:

(a) a copy of the resolution adopted by the Board authorizing the issuance, sale and delivery of the applicable Series of CFC Bonds to be issued, certified by the Director of

Aviation, and authorizing the execution and delivery of the Supplemental Indenture referred to in Section 205;

(b) a Counsel's Opinion to the effect that (i) the Board had the right and power to adopt the resolution referred to in (a) above; (ii) the resolution has been duly and lawfully adopted by the Board, is in full force and effect and is valid and binding upon the Board and is enforceable in accordance with its terms (except as limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event that equitable remedies are sought); (iii) this CFC Master Indenture and such Supplemental Indenture have been duly and lawfully executed by an Authorized Board Representative, are in full force and effect and are valid and binding upon the Board and enforceable in accordance with their terms (except as limited by any applicable bankruptcy, liquidation, reorganization, insolvency or other similar laws and by general principles of equity in the event that equitable remedies are sought); (iv) this CFC Master Indenture and such Supplemental Indenture create the valid pledge of Revenues, moneys and securities which they purport to create; (v) upon the execution, authentication and delivery thereof, the CFC Bonds of such Series will have been duly and validly authorized and issued in accordance with the Constitution and laws of the State of Louisiana, this CFC Master Indenture and such Supplemental Indenture and (vi) with respect to any Series of CFC Bonds issued as Tax-Exempt Bonds, that the interest thereon is excludable from federal income taxation.

(c) a written order as to the delivery of such Series, executed by an Authorized Officer (i) stating the identity of the purchasers, aggregate purchase price and date and place of delivery of such Series and that no Event of Default has occurred and is continuing under this CFC Master Indenture and (ii) fixing and determining all terms and provisions of the CFC Bonds of such Series not fixed or determined by this CFC Master Indenture or the Supplemental Indenture referred to in Section 205;

(d) an executed counterpart of the Supplemental Indenture referred to in Section 205;

(e) either (i) a Certificate of an Independent Airport Consultant stating that, based upon reasonable assumptions set forth therein, Revenues are projected to be not less than that required to satisfy the Rate Covenant in Section 402 hereof, including taking into account the amounts in the Coverage Fund not to exceed 25% of Maximum Annual Debt Service (disregarding any CFC Bonds that have been paid or discharged or will be paid or discharged immediately after the issuance of the Series proposed to be issued) for each of the next three Fiscal Years following the issuance of such CFC Bonds or, if later, for each Fiscal Year from the issuance of such Series through the two Fiscal Years immediately following completion of the CFC Projects financed by such CFC Bonds; or (ii) a Certificate of an Authorized Board Representative stating that Revenues in the most recent completed Fiscal Year for which audited financial statements have been prepared satisfied the Rate Covenant as set forth in Section 402 hereof, including taking into account the amounts in the Coverage Fund not to exceed 25% of Maximum Annual Debt Service assuming for such purpose that Aggregate Debt Service for the Bond Year

commencing during such Fiscal Year includes the Maximum Annual Debt Service on the CFC Bonds proposed to be issued, provided however, neither of such items will be required with respect to the Series 2018 CFC Bonds, Refunding CFC Bonds including Completion CFC Bonds, and Subordinated CFC Bonds;

(f) in the case of Completion CFC Bonds, a Certificate of an Authorized Board Representative stating (i) that the Series of CFC Bonds proposed to be issued are being issued to finance the costs of one or more CFC Projects initially financed in whole or in part by CFC Bonds, and (ii) that the additional cost of the CFC Projects being financed by such Series does not exceed 15% of the aggregate cost thereof previously financed. Prior to the delivery of any Completion CFC Bonds, the Board shall file with the Trustee a certificate of a Consulting Engineer (i) stating that the CFC Projects have not materially changed from their description in the Supplemental Indenture creating the Series of CFC Bonds initially issued to finance the cost of such CFC Projects, (ii) estimating the revised aggregate cost of the CFC Projects, (iii) stating that the revised aggregate cost of such CFC Projects cannot be paid with available moneys, and (iv) stating that, in the opinion of the Consulting Engineer, the issuance of Completion CFC Bonds is necessary to provide funds to complete the subject CFC Projects;

(g) a Certificate stating that any required approval for the issuance of such Series has been obtained and that the term of the Agreements and Facilities Leases have a remaining term of at least two (2) years;

(h) a Certificate stating the applicable Debt Service Reserve Requirement;

(i) such further documents and moneys as are required by the provisions of Article V or any Supplemental Indenture; and

(j) the Series 2018 CFC Bonds shall be executed by a designated officer of the Board and delivered to the Trustee and thereupon shall be authenticated by the Trustee and delivered to the Board or upon its order, upon delivery of the items required by sub-parts (a),(b), (c), (g), (h), and (i) above but items (d), (e), and (f) shall not be required.

(k) In making the calculations required by this subpart (2)(e)(i) or (ii), if the Board has adopted, implemented and imposed a higher per Transaction Day rate for the CFC or otherwise increased the rate for the CFC or imposed or increased any Contingent Rent or any other Supplemental Facility Charge prior to the date of the issuance of a series of Additional Bonds, the calculation of CFC Revenues may be made assuming such increased per Transaction Day rate or other increase in the CFC, imposed or increased Supplemental Facility Charge or Contingent Rent had been in effect during such period.

SECTION 209. Conditions Precedent to Delivery of Any Series of Refunding CFC Bonds. All Refunding CFC Bonds of any Series (including the Series 2018 CFC Bonds in connection with the refunding of the Series 2009 CFC Bonds in accordance with the 2009 CFC Master Indenture which shall be issued upon satisfaction of the conditions set forth in this Section 207 except for (a) of this sub-part) shall be executed by the Board and delivered to the

Trustee and thereupon shall be authenticated by the Trustee and delivered to the Board or upon its order, but only following the receipt by the Trustee of:

(a) the documents referred to in subsections (a), (b), (c), (d),(g), (h) and (i) of Section 206;

(b) a Certificate of an Authorized Board Representative substantially to the effect that either (i) after the issuance of the proposed Refunding CFC Bonds, the Aggregate Debt Service on all Outstanding CFC Bonds (including the proposed Refunding CFC Bonds) will be less than for each Bond Year within which any of the refunded CFC Bonds would have been Outstanding but for their having been refunded or (ii) the refunding will reduce the total debt service payments on the refunded CFC Bonds on a present value basis or alternatively Refunding CFC Bonds may be issued by complying with the provisions of item (e) of Section 206 hereof;

(c) if a redemption of CFC Bonds is to be effected, irrevocable instructions to the Trustee to give due notice of redemption of all the CFC Bonds to be refunded and the redemption date or dates, if any, upon which such CFC Bonds are to be redeemed;

(d) if a redemption of CFC Bonds is to be effected and the redemption is scheduled to occur subsequent to the next succeeding 45 days, irrevocable instructions to the Trustee to give notice of redemption of such CFC Bonds as provided in the applicable Supplemental Indenture on a specified date prior to their redemption date which notice may include language giving notice that such redemption is conditioned upon the receipt of sufficient amounts to effect such noticed redemption;

(e) if the CFC Bonds to be refunded are to be paid more than 90 days after the deposit described in this clause (d), a certificate of an Independent Accountant stating the amount of either (i) moneys (which may include all or a portion of such Series) in an amount sufficient to pay the CFC Bonds to be refunded at maturity or at the applicable Redemption Price of the CFC Bonds to be refunded together with interest on such CFC Bonds to the maturity or redemption date or dates, or (ii) Defeasance Obligations the principal of, and interest on, which when due (without reinvestment thereof), together with the moneys (which may include all or a portion of the proceeds of the CFC Bonds to be issued), if any, which must be contemporaneously deposited with the Trustee, to be sufficient to pay when due the principal of or the applicable Redemption Price of the CFC Bonds to be refunded, together with interest on such CFC Bonds to the redemption date or dates or the date or dates of maturity thereof; and

(f) such further documents and moneys as are required by the provisions of Article V or any Supplemental Indenture.

SECTION 210. Credit Facilities and Liquidity Facilities. The Board reserves the right to provide one or more Credit Facilities to secure the payment of the principal of, premium, if any, and interest on one or more Series of CFC Bonds, or with respect to Tender Bonds, a Liquidity Facility to secure the Purchase Price of such Tender Bonds upon the demand of the

Owners thereof. In connection with any such Credit Facility or Liquidity Facility, the Board may execute and deliver an agreement setting forth the conditions upon which drawings or advances may be made under such Credit Facility or Liquidity Facility and the method by which the Board will reimburse the Provider for such drawings together with interest thereon at such rate or rates and otherwise make payments as may be agreed upon by the Board and such Provider. Any such obligation of the Board to reimburse or otherwise make payments to any such Provider shall constitute a Bond under this CFC Master Indenture to the same extent as any Series of CFC Bonds issued pursuant to a Supplemental Indenture, and any and all amounts payable by the Board to reimburse such Provider, together with interest thereon, shall for purposes of this CFC Master Indenture be deemed to constitute the payment of principal of, premium, if any, and interest on CFC Bonds.

SECTION 211. Application of Proceeds of CFC Bonds.

(a) Proceeds of Series 2018 CFC Bonds: The Trustee shall execute the Series 2009 Escrow Deposit Agreement and shall establish the Series 2009 Escrow Fund therein into which the Trustee shall deposit all proceeds of the Series 2018 CFC Bonds upon delivery of the Series 2018 CFC Bonds. The Series 2009 Escrow Fund is irrevocably and exclusively dedicated to defease the Series 2009 CFC Bonds as of the date the Series 2018 CFC Bonds are delivered.

(b) Proceeds of Additional CFC Bond Series: The proceeds, including accrued interest, if any, of any Series shall be deposited with the Trustee and shall be applied by the Trustee in the manner required herein and by the Supplemental Indenture creating such Series.

ARTICLE III. FUNDS AND INVESTMENTS

SECTION 301. Establishment of Funds and Accounts. (1) The following Funds, including the Collection Account, have been established under the 2009 Master Indenture and are to be held continuously under this CFC Master Indenture to be held by the Trustee as follows:

- (a) Revenue Fund;
- (b) Administrative Costs Fund;
- (c) Debt Service Fund, including therein a Debt Service Account and any Debt Service Reserve Account;
- (d) Coverage Fund;
- (e) Maintenance Reserve Fund;
- (f) Surplus Fund;
- (g) Insurance and Condemnation Proceeds Fund;
- (h) Construction Fund relating to a Series of CFC Bonds;

- (i) Costs of Issuance Fund relating to a Series of CFC Bonds;
- (j) Arbitrage Rebate Fund for each Series of Tax-Exempt Bonds; and
- (k) the Collection Account within a bank designed by the Board.

All such Funds and the Collection Account have been established, maintained and accounted for and will continue as hereinafter provided so long as any CFC Bonds remain Outstanding; provided, however, the Construction Fund and the Costs of Issuance Fund relating to a particular Series of CFC Bonds need not be maintained and shall be closed after all amounts deposited thereto have been expended. Any Construction Fund, the Debt Service Fund and the Debt Service Accounts, and any Debt Service Reserve Accounts created therein, the Coverage Fund, and the Surplus Fund shall constitute trust funds which shall be held by the Trustee for the benefit of the Owners of CFC Bonds and be considered as part of the Trust Estate. The Administrative Costs Fund, Arbitrage Rebate Fund, any Costs of Issuance Fund, the Maintenance Reserve Fund and the Insurance and Condemnation Proceeds Fund, do not constitute trust funds held for the benefit of the Owners of CFC Bonds and are not considered as part of the Trust Estate.

The Board and the Trustee reserve the right to establish additional funds, sub-funds, accounts and subaccounts from time to time under Supplemental Indentures; and any such Supplemental Indenture may provide that amounts on deposit in such sub-funds, accounts and subaccounts shall be held by the Trustee for the sole and exclusive benefit of a particular Series of CFC Bonds as may be specifically designated in such Supplemental Indenture.

SECTION 302. Revenue Fund; Flow of Funds. (1) Unless specifically directed otherwise in this CFC Master Indenture or in a Supplemental Indenture, all Revenues received by the Trustee shall be deposited upon receipt to the Revenue Fund.

(2) On or before the third-to-last Business Day of each month, the Trustee shall transfer moneys then credited to the Revenue Fund in the following order of priority:

- (a) The Trustee shall transfer, after taking into account any amounts representing capitalized interest therein, to the Debt Service Account of the Debt Service Fund, (i) amounts sufficient to pay one-sixth of the interest due on CFC Bonds on the next succeeding Interest Payment Date for CFC Bonds bearing interest at a Fixed Rate, or an amount specified in the applicable Supplemental Indenture if such Series bears interest at a Variable Rate, provided that payments prior to the first Interest Payment Date after the issuance of a Series of Fixed Rate CFC Bonds shall be adjusted to the extent necessary so that the total amount of interest due on such CFC Bonds on that Interest Payment Date will have been paid into the Debt Service Account in equal installments prior to that Interest Payment Date, and (ii) amounts sufficient to pay one-twelfth of the principal amount of the CFC Bonds of such Series coming due on the next succeeding Principal Payment Date, provided that payments prior to the first Principal Payment Date after the issuance of a Series of CFC Bonds shall be adjusted to the extent necessary so that the total amount of principal due on such Series of CFC Bonds on that Principal Payment Date will have been paid into the Debt Service Account in equal installments prior to that Principal Payment Date.

(b) The Trustee shall transfer to the Coverage Fund amounts necessary to cause the amount on deposit therein to equal the Coverage Fund Requirement. To the extent amounts in the Coverage Fund are used to satisfy a deficiency in the Debt Service Account pursuant to Section 302(3) herein, the Trustee shall transfer moneys in substantially equal monthly installments over a period of twelve months for deposit to the Coverage Fund so that at the end of such twelve month period, the amount transferred to the Coverage Fund equals the Coverage Fund Requirement.

(c) The Trustee shall transfer to the Debt Service Reserve Account amounts necessary (i) to cause the amount on deposit therein to equal the Debt Service Reserve Requirement (taking into account any related Debt Service Reserve Account Surety Policy) and (ii) to the extent applicable, to provide for the reimbursement of a Debt Service Reserve Account Surety Policy provider in accordance with the terms of the related Debt Service Reserve Account Surety Policy; provided, however, that in the event there are insufficient funds to make all such required transfers, the Trustee shall make such transfers on a pro rata basis.

(d) The Trustee shall transfer to the Administrative Costs Fund all moneys until there shall have been deposited thereto an amount equal to the then budgeted Administrative Costs for such Bond Year. Thereafter, no additional transfers to the Administrative Costs Fund shall be made during such Bond Year unless (i) the Board directs the Trustee to transfer an amount from the Surplus Fund sufficient to satisfy any deficiency within the Administrative Costs Fund or (ii) the Board amends the budgeted Administrative Costs for such Bond Year and such amendment increases the budgeted Administrative Costs for such Bond Year. In the event of the latter, the Trustee shall transfer to the Administrative Costs Fund all moneys until there shall have been deposited thereto an amount equal to the increased budgeted Administrative Costs for such Bond Year.

(e) The Trustee shall transfer to the Construction Fund created for any Series of CFC Bonds the amounts commencing on the dates and ending on the dates specified in the applicable Supplemental Indenture, if any.

(f) The Trustee shall transfer to the Maintenance Reserve Fund amounts equal to the Maintenance Reserve Fund Deposit Requirement.

(g) With respect to any Tax-Exempt Bonds, the Trustee shall transfer to the Arbitrage Rebate Fund for such Series of Tax-Exempt Bonds the amounts calculated to be due to the Internal Revenue Service as arbitrage rebate for such Series of Tax-Exempt Bonds in accordance with any arbitrage rebate calculation provided to the Trustee with respect to a Series of Tax-Exempt Bonds.

(h) The Trustee shall transfer to the Surplus Fund all moneys remaining in Revenue Fund.

(3) If, two Business Days before any Interest Payment Date or Principal Payment Date the amounts on deposit in the Debt Service Account are insufficient to pay the interest or

the principal or Redemption Price payable on Outstanding CFC Bonds as the same shall become due, moneys held in the following Funds or Accounts shall be transferred by the Trustee from said Funds or Accounts in the following order to the Debt Service Account in order to satisfy said deficiency therein:

(a) First, the Trustee shall transfer to the Debt Service Account moneys in the Surplus Fund;

(b) Second, if moneys in the Surplus Fund are insufficient to satisfy the deficiency, the Trustee shall transfer to the Debt Service Account moneys in the Coverage Fund; and

(c) Third, if moneys in the Surplus Fund and Coverage Fund are insufficient to satisfy the deficiency, the Trustee shall transfer to the Debt Service Account moneys in the Debt Service Reserve Account;

provided, however, that if moneys in the Surplus Fund and the Coverage Fund are insufficient to satisfy the deficiency, the Trustee shall immediately notify the Director of Aviation and the Director of Aviation shall cause an interim report of the Independent Airport Consultant to be prepared in accordance with Section 402(d) and the Director of Aviation shall either, as soon as reasonably practicable, (i) adjust the Facility Charge for the remainder of the Bond Year to an amount equal to the CFC Costs plus the amount necessary to replenish the Coverage Fund for the amount transferred by the Trustee to the Debt Service Account pursuant to Section 302(3)(b), or (ii) collect the Contingent Rent or Supplemental Facility Charges from the Lessees pursuant to the terms of the Facilities Leases.

If moneys are withdrawn and transferred from the Surplus Fund, the Coverage Fund, and/or any Debt Service Reserve Account to pay principal of or interest on the CFC Bonds as provided in Section 302(3), the Trustee shall notify the Board and any Credit Provider of the amount of such withdrawals and transfers.

SECTION 303. Administrative Costs Fund. Moneys credited to the Administrative Costs Fund shall only be used by the Trustee to pay Administrative Costs. The Trustee shall disburse amounts in the Administrative Costs Fund to pay or reimburse the Board for Administrative Costs within three Business Days following receipt of and in accordance with a letter of instructions executed by an Authorized Officer certifying that Administrative Costs have been incurred as permitted by this CFC Master Indenture and directing the Trustee to pay such amounts incurred. In its sole and absolute discretion, the Board may instruct the Trustee to transfer balances in the Administrative Costs Fund.

SECTION 304. Debt Service Fund—Debt Service Account. Moneys credited to a Debt Service Account of the Debt Service Fund shall only be used to pay the Annual Debt Service coming due on CFC Bonds during each Bond Year.

SECTION 305. Debt Service Fund—Debt Service Reserve Account. The Debt Service Reserve Requirement with respect to outstanding CFC Bonds may be satisfied by the deposit of moneys equal to the Debt Service Reserve Requirement to the Debt Service Reserve

Account or by deposit therein of (i) one or more Debt Service Reserve Account Surety Policies, (ii) Qualified Investments, or (iii) a combination thereof. As provided in Section 302, moneys credited to a Debt Service Reserve Account shall be used by the Trustee to pay the principal of and interest on CFC Bonds at such time as such principal and interest are due and there is not sufficient money in the Debt Service Account, Surplus Fund, and Coverage Fund for such purpose.

SECTION 306. Coverage Fund. With respect to any Series of CFC Bonds, from either available amounts in the Surplus Fund or such amounts as shall be provided in the Supplemental Indenture authorizing such Series of CFC Bonds which amount must be at least sufficient to equal the Coverage Fund Requirement for all then Outstanding CFC Bonds. As provided in Section 302(3), moneys credited to the Coverage Fund shall be used by the Trustee to pay the principal of and interest on the CFC Bonds at such time as such principal and interest are due and there is not sufficient money in the Debt Service Account and the Surplus Fund for such purposes.

SECTION 307. Maintenance Reserve Fund. (1) Moneys credited to the Maintenance Reserve Fund may be applied at the discretion of the Board to pay for costs of capital repairs, replacement and maintenance of the CFC Projects and to reimburse advances made by the Board for such reasonable costs. The Trustee shall disburse amounts in the Maintenance Reserve Fund to pay or reimburse the Board for the costs described herein within three Business Days following receipt of and in accordance with a letter of instructions executed by an Authorized Officer certifying that such costs have been incurred as permitted by this CFC Master Indenture and directing the Trustee to pay such amounts incurred. The Board shall also provide written notice to the Companies and the Independent Airport Consultant as to the use of moneys in the Maintenance Reserve Fund.

(2) If, on the Business Day following the transfers made pursuant to Section 302(2) hereof, the amount on deposit in the Maintenance Reserve Fund exceeds the Maintenance Reserve Fund Deposit Requirement by 15%, the Trustee shall transfer such excess to the Surplus Fund.

(3) At any time, the Board may deliver to the Trustee a written certificate executed by an Authorized Board Representative establishing a new Maintenance Reserve Fund Deposit Requirement in accordance with a Physical Needs Assessment. From and after the date and delivery of such certificate and until the date of delivery of another such certificate, the amount set forth in such certificate shall be the Maintenance Reserve Fund Deposit Requirement without any further action required under this CFC Master Indenture or otherwise.

(4) Upon the termination of this CFC Master Indenture, the Trustee shall transfer any amounts remaining in the Maintenance Reserve Fund to the Board.

SECTION 308. Surplus Fund. (a) Moneys credited from time to time to the Surplus Fund may be used for any of the following purposes as the Trustee is directed in writing by an Authorized Board Representative; provided, however, that until the term of the existing Facility Leases expires in January 2023, moneys in the Surplus Fund shall be used first to reimburse O&M Payments and second to reimburse the Ground Rental Repayment Amount to each Company prior to any purpose specified in items (iii) through (vii) below:

(i) as long as the Facilities Leases and/or Concession Agreements with each Company contain provisions for reimbursement to the Manager of the O&M Payments, to pay to the Manager for any Bond Year an amount equal to the O&M Repayment Amount not previously reimbursed for such Bond Year,

(ii) as long as the Facilities Lease and/or Concession Agreement with each Company contain provisions for payment of the Ground Rental Repayment Amount not previously paid for a Bond Year, to pay each Company the portion of the Ground Rental Repayment Amount equal to the percentage resulting from dividing the Ground Rentals paid by each Company for such prior Bond Year by the total of all Ground Rentals paid by all the Companies for such Bond Year,

(iii) to fund repairs and replacements for the CFC Projects,

(iv) to reimburse the Board for amounts expended by it from its lawfully available funds with respect to planning, financing and constructing or operating the Consolidated Facility and any other CFC Project,

(v) to expand the CFC Projects,

(vi) to purchase, defease or retire CFC Bonds or

(vii) for any other lawful purpose of the Board with respect to the Consolidated Facility any other CFC Projects, the CFC Bonds, and any ground transportation project benefiting or facilitating motor vehicular traffic at the Airport. The Board shall provide written notice to the Companies and the Independent Airport Consultant as to the use of moneys in the Surplus Fund. As provided in Section 302(3), moneys credited to the Surplus Fund shall be used by the Trustee to pay the principal of and interest on the CFC Bonds at such time as such principal and interest are due and there is not sufficient money in the Debt Service Account.

SECTION 309. Construction Fund. (1) From the proceeds of each Series of CFC Bonds (other than Refunding CFC Bonds) and any other amounts from CFC collections or otherwise made available there shall be deposited to a Construction Fund such amounts as shall be provided in the resolution or the Supplemental Indenture authorizing such Series of CFC Bonds. Such amounts may be applied to pay related Costs of the PFC Project, to reimburse advances made by the Airport or the Companies for such reasonable costs, and to pay any other capital costs of the CFC Projects as provided in the resolution or the Supplemental Indenture authorizing such Series of CFC Bonds. The Trustee shall not disburse any amounts deposited to the Construction Fund without first receiving a Construction Fund Disbursement Certificate in the form set forth in an exhibit to a particular Supplemental Indenture executed by an Authorized Officer.

(2) Following the determination by the Board in a Certificate as to the final completion (as opposed to substantial completion) of each CFC Project for which such Series of CFC Bonds have been issued (a "**Completion Date**"), any amounts remaining in the related Construction Fund shall be transferred to the Surplus Fund or as otherwise provided in the applicable Supplemental Indenture.

(3) The Trustee shall rely fully on any such request and certificate delivered pursuant to this Section and shall not be required to make any investigation in connection therewith. The Trustee shall be under no duty or obligation to verify any documentation supporting the payments or reimbursements by the obligor, but shall hold and provide to Bondholders upon request such documentation supporting the payments or reimbursements requested by the obligor, solely as a repository for the benefit of the Bondholders.

SECTION 310. Costs of Issuance Fund. From the proceeds of each Series of CFC Bonds there shall be deposited to a Costs of Issuance Fund such amounts as shall be provided for in the Supplemental Indenture authorizing such Series of CFC Bonds. Such amounts shall be applied to pay related Costs of Issuance upon delivery to the Trustee of a certificate or letter of instructions executed by an Authorized Board Representative directing the Trustee to make payments as set forth therein. After paying all Costs of Issuance for a Series of CFC Bonds, any surplus amounts remaining in the Costs of Issuance Fund shall be deposited to the Construction Fund, if any, or, if there is no Construction Fund, to the related Debt Service Account.

SECTION 311. Insurance and Condemnation Proceeds Fund. The Trustee shall deposit into the Insurance and Condemnation Proceeds Fund, immediately upon receipt thereof, all amounts received by the Board or the Trustee as an insured or co-insured under any policy of insurance applicable to the Consolidated Facility and amounts received pursuant to eminent domain proceedings. All net Insurance Proceeds shall be applied at the option of the Board either (i) to the Extraordinary Optional Redemption of the Bonds in accordance with Section 204(b) herein or (ii) to the restoration of all or a portion of the Consolidated Facility, except that any surplus Insurance Proceeds shall be applied to the Extraordinary Optional Redemption of the Bonds. The Trustee shall apply amounts in the Insurance and Condemnation Proceeds Fund in accordance with written instructions from the Board and the Lessee(s) under the Facilities Lease(s).

SECTION 312. Collection Account. The Board has created an account and will continue to maintain such an account at a bank of its choice denominated the "New Orleans Aviation Board Collection Account" (the "Collection Account") into which all receipts of Revenues, including Contingent Rent or other Supplemental Facility Charges shall be deposited daily as received by the Board. The Board shall cause the bank at which the Collection Account is held to automatically transfer not less frequently than once a month on the 25th calendar day of each month or if not a Business Day on the next succeeding Business Day and on other days as selected by the Board at its sole option the amounts deposited/credited to the Collection Account to the Revenue Fund to be held and applied therein by the Trustee as provided in Section 302 hereof. The Trustee shall have no responsibility for the accuracy or timeliness of payments by the Companies or the Board of the Revenues, or for the collection of payments which are returned as uncollectible for any reason.

SECTION 313. Arbitrage Rebate Fund. In order to maintain the tax-exempt status of the Tax-Exempt Bonds there is hereby authorized and ordered established with respect to each series of Tax-Exempt Bonds an "Arbitrage Rebate Account" within the "Arbitrage Rebate Fund." This Fund shall be maintained by the Trustee and used to receive any amounts payable by the Board to the U.S. Treasury pursuant to Section 148(f) of the Code and invested and applied as described in the applicable Supplemental Indenture relating thereto. The amounts on deposit in

the accounts created within the Arbitrage Rebate Fund shall be payable to the United States Treasury in such amounts and at such times as provided in the said Supplemental Indenture but in no event later than required by Section 148(f) of the Code and the regulations promulgated thereunder. Any amounts remaining in any Arbitrage Rebate Account of the Arbitrage Rebate Fund created for a particular Series of Tax-Exempt Bonds after payment of the final arbitrage rebate amounts due with respect to U. S. Treasury shall be transferred by the Trustee to the Revenue Fund. The Board further covenants that it will comply with any Treasury Regulations applicable to Section 148(f) of the Code including any calculations of rebate amounts required under applicable Treasury Regulations. It is hereby recognized and understood that moneys deposited in the Arbitrage Rebate Fund and any earnings thereon do not constitute Revenues, are not and never shall be pledged to the payment of or be security for any CFC Bonds.

SECTION 314. Investment of Funds; Transfer of Investment Income. (a) All moneys held in any Fund or Account established and created under this CFC Master Indenture shall be invested in Qualified Investments upon the oral direction of an Authorized Board Representative, or his or her designated representative, promptly confirmed in writing.

(b) Qualified Investments purchased as an investment of moneys in any Fund or Account established and created under this CFC Master Indenture shall be deemed at all times to be a part of such Fund or Account. Qualified Investments so purchased shall be sold at the best price obtainable whenever it shall be necessary so to do in order to provide moneys to make any withdrawal or payment from such Fund or Account. For the purposes of any such investment, a Qualified Investment shall be deemed to mature at the earliest date on which the obligor is, on demand, obligated to pay a fixed sum in discharge of the whole of such Qualified Investment. Qualified Investments in which moneys held in any Fund or Account have been invested shall mature not later than the respective dates as estimated by the Board or the Trustee based on information provided by the Board, when the moneys held for the credit of any Fund or Account will be needed.

(c) In computing the amount in any Fund or Account, obligations maturing within the three year period next succeeding the date of computation shall be valued at amortized value, and obligations maturing more than three years following the date of computation shall be valued at the lower of amortized value or market value; provided that investment agreements described in clause (h) of the definition of "Qualified Investments" shall be valued at amortized value.

(d) For purposes of this CFC Master Indenture amortized value means par, if the obligation was purchased at par, or, when used with respect to an obligation purchased at a premium above or a discount below par, means the value as of any given time obtained by dividing the total premium or discount at which such obligation was purchased by the number of interest payments remaining on such obligation after such purchase and deducting the amount thus calculated for each interest payment date after such purchase from the purchase price in the case of an obligation purchased at a premium or adding the amount thus calculated for each interest payment date after such purchase to the purchase price in the case of an obligation purchased at a discount. Valuation shall be made on each June 15 and December 15, or if such day is not a Business Day of the Trustee then on the Business Day of the Trustee immediately preceding such June 15 or December 15, and at any other time required hereunder or under any

Supplemental Indenture, and on any particular date shall not include the amount of interest then earned or accrued to such date on any deposit or investment.

(e) Moneys in such Funds or Accounts may be subject to further investment restrictions imposed from time to time by Supplemental Indentures authorizing the issuance of a Series of CFC Bonds.

(f) If and to the extent necessary, such investments or participations therein shall be promptly sold to prevent any default.

(g) All interest and income derived from deposits and investments credited to the following Funds shall be applied as follows:

Source of Interest or Income	Fund or Account to Which Such Interest or Income Should Be Credited
Administrative Cost Fund	Remains in the Administrative Cost Fund
Arbitrage Rebate Fund	Remains in the applicable Account of the Arbitrage Rebate Fund until the final arbitrage rebate amount has been paid the U. S. Treasury and any remaining amounts are then transferred to the Revenue Fund.
Revenue Fund	Remains in Revenue Fund
Collection Account	Remains in Collection Account until the next transfer is made of all amounts therein to the Revenue Fund
Debt Service Fund	Remains in the Debt Service Fund
Coverage Fund	Remains in the Coverage Fund until the Coverage Fund Requirement is satisfied; and thereafter to the Revenue Fund
Maintenance Reserve Fund	Remains in the Maintenance Reserve Fund until such time as the Maintenance Reserve Requirement is satisfied and thereafter to the Surplus Fund
Surplus Fund	Remains in the Surplus Fund
Insurance and Condemnation Proceeds Fund	Remains in the Insurance and Condemnation Proceeds Fund
Construction Fund	Remains in the Construction Fund
Costs of Issuance Fund	To the Construction Fund

(h) In order to comply with the directions of the Board, the Trustee may sell at the best obtainable price or may present for redemption or may otherwise cause the liquidation prior to their maturities of any obligations in which funds have been invested, and the Trustee shall not be liable for any loss or penalty of any nature resulting therefrom. In order to avoid loss in the event

of any need for funds, the Board may instruct the Trustee, in lieu of a liquidation or redemption of investments in the Fund or Account needing funds, to exchange such investments for investments in another Fund or Account that may be liquidated at no, or at a reduced, loss.

(i) To insure that cash on hand is invested, if the Trustee is required to make investments as a result of not receiving written directions from the Board, the Trustee is specifically authorized to implement its automated cash investment system to assure that cash on hand is invested and to charge its normal cash management fees, which may be deducted from income earned on investments.

(j) The Trustee may make any and all investments through its own bond or securities department or the bond or securities department of any affiliate of the Trustee.

(k) The portion of the Surplus Fund which is allocable to any Series of Tax-Exempt Bonds shall be invested at a yield that does not exceed the yield on the applicable Series of Tax-Exempt Bonds, unless the Trustee obtains a Favorable Tax Opinion.

(l) The Trustee shall have no responsibility to monitor the ratings of Qualified Investments after the initial purchase of such Qualified Investments, but shall promptly advise the Board of any ratings downgrade of which it has knowledge.

ARTICLE IV COVENANTS OF THE BOARD

SECTION 401. Payment of Debt Service; Limited Obligations. The Board covenants that it will duly and punctually pay the principal of, premium if any, and interest on, all CFC Bonds in strict conformity with the terms of the CFC Bonds, this CFC Master Indenture, the Supplemental Indentures creating the CFC Bonds of any Series, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this CFC Master Indenture, each Supplemental Indenture; provided, however, the CFC Bonds and the other obligations of the Board provided for herein shall be limited obligations of the Board and shall be payable by the Board solely out of the Trust Estate as provided in Section 204 hereof. THE OWNERS OF THE CFC BONDS SHALL NEVER HAVE THE RIGHT TO DEMAND PAYMENT OF THE PRINCIPAL OF, INTEREST ON, OR REDEMPTION PRICE OF THE CFC BONDS OUT OF ANY FUNDS RAISED OR TO BE RAISED BY TAXATION OR THE GENERAL REVENUES OF THE AIRPORT, THE BOARD, THE CITY OR THE COMPANIES.

SECTION 402. Rate Covenant. (a) Effective as of November 1, 2008, the Board has, pursuant to the CFC Resolution, required the On-Airport Rental Car Companies to charge, collect and remit to the Board for deposit daily as received by the Board in the Collection Account from which such amounts shall be caused by the Board to be automatically transferred periodically to the Revenue Fund and applied as provided in Section 302(2) hereof. The CFC shall continue until adjusted in accordance with the provisions of the CFC Resolution and the provisions of this Section 402.

(b) At least 120 days prior to the end of each Bond Year, the Board shall prepare and deliver to the Trustee and the Companies its estimate of CFC Revenues and CFC Costs for the next Bond Year, and make its determination as to whether the Rate Covenant was met for the then

current Bond Year and will be met for the next ensuing Bond Year. If the Board projects CFC Revenues for the ensuing Bond Year are to be insufficient to meet the Rate Covenant for the ensuing Bond Year without further increasing the then existing rate at which the CFC is imposed (a “CFC Deficit”), then the Board shall engage an Independent Airport Consultant to recommend actions to be taken to cure such projected CFC Deficit. If required to be engaged pursuant to the foregoing sentence, not less than 90 days prior to the end of each Bond Year, the Independent Airport Consultant shall prepare and present to the Director, the Board, the Trustee and the Companies the Rate Consultant’s Report recommending one or more of (i) an increase in the per Transaction Day rate or the rate of such other method of calculating the CFC as shall then be provided for in the CFC Resolution, (ii) implementing Contingent Rent, (iii) imposing other Supplemental Facility Charges or (iv) implementing any combination thereof for the ensuing Bond Year. If the Independent Airport Consultant in its Rate Consultant’s Report determines that the required increase in the CFC rate will result in a reduction in annual Transaction Days greater than 25%, the Independent Airport Consultant shall recommend the implementation of Contingent Rent or a combination of one or more of Contingent Rent, other Supplemental Facility Charges and an increase in the CFC rate. In making such recommendation the Independent Airport Consultant shall consider, among other factors: (i) the historical and projected origination and destination traffic at the Airport; (ii) historical and projected Transaction Days at the Airport; (iii) the Annual Debt Service requirements; (iv) the budgeted Administrative Costs and the actual Administrative Costs; (v) the estimated CFC Costs, (vi) the amounts required to be deposited to the Funds and Accounts and any existing or projected deficiencies therein; (vii) information provided by the Companies; and (viii) such other factors deemed relevant by the Independent Airport Consultant. Not less than 60 days prior to the end of the then current Bond Year, the Companies shall provide written notice to the Director and the Independent Airport Consultant if any thereof object to any portion of the Rate Consultant’s Report. The Director or the Board as appropriate under the CFC Resolution as then in effect shall make a final determination regarding the plan to fund the estimated CFC Deficit for the next Bond Year.

(c) Subject to the provisions of (d) below, the Director of Aviation or the Board, as required by the provisions of the CFC Resolution at least 30 days prior to the end of each Bond Year will establish and give notice to the Trustee and each of the Companies of (i) the per Transaction Day rate of the CFC or the rate of such other method of calculating the CFC as shall then be provided for in the CFC Resolution, (ii) the amount of Contingent Rent, if any, (iii) the amount and rate of any other Supplemental Facility Charges, if any, or (iv) a combination of any thereof, for the ensuing Bond Year. The per Transaction Day rate or the rate of such other method of calculating the CFC shall be established by the Director of Aviation or the Board as appropriate under the CFC Resolution as then in effect so that the collections of the CFC Revenues, Contingent Rent, other Supplemental Facility Charges or a combination thereof will result in Revenues for such ensuing Bond Year together with the amounts then on deposit in the Coverage Fund which do not exceed 25% of Maximum Annual Debt Service on the last Business Day of the ninth (9th) calendar month of the then current Bond Year, if any, will at least equal the Rate Covenant for such ensuing Bond Year. At the option of the Board the CFC shall be imposed by the Board calculated as either a per diem rate expressed in dollars or as a percentage of the daily gross rentals paid by the lessor of Motor Vehicles.

(d) Upon the occurrence of (i) an unscheduled draw on the Coverage Fund or any Debt Service Reserve Account, (ii) the actual CFC Costs exceeding by 10% or more the monthly

projected CFC Costs or (iii) the monthly CFC Revenues actually received equaling 90% or less of the monthly amounts projected for such Bond Year for a period of not less than 3 consecutive calendar months the latest of which three (3) months is within the first eight (8) months of a single Bond Year, the Trustee with respect to item (i) and the Director of Aviation with respect to items (ii) and (iii) shall immediately notify the others of the Trustee, the Director of Aviation and the Companies and then the Director of Aviation shall cause the Independent Airport Consultant to prepare an interim report recommending an adjustment to the CFC, implementation or increases in Contingent Rent and/or other Supplemental Facility Charges or a combination of any thereof sufficient to restore the withdrawn amounts and remedy the increased CFC Costs or decreased CFC Revenues. However, the Independent Airport Consultant shall not recommend an increase in the CFC rate which would in his opinion result in a reduction in annual Transaction Days of greater than 25%. Upon receipt of such report, the Director of Aviation, as soon as reasonably practicable, shall take the actions required to increase Revenues by adjusting the rate of the CFC, implementing or increasing Contingent Rent and/or the Supplemental Facility Charges or implementing a combination of any thereof for the remainder of such Bond Year to the rates and amounts required so that Revenues for the then current Bond Year together with the amounts then on deposit in the Coverage Fund which do not exceed 25% of Maximum Annual Debt Service will at least equal the Rate Covenant for the current Bond Year plus the amount necessary to replenish the Coverage Fund or the respective Debt Service Reserve Accounts for the amounts transferred to the applicable Debt Service Accounts. The Director of Aviation shall notify the Companies and On-Airport Rental Car Companies who are not Lessee(s), if any, of such adjustment and the date as of which such new CFC rate, Contingent Rent and/or Supplemental Facility Charges shall be charged and collected by the Companies and On-Airport Rental Car Companies, if all are not included within the term Companies, with 30 days’ prior written notice.

SECTION 403. Enforcement of Facilities Leases and Agreements. The Board covenants that so long as any of the CFC Bonds remain Outstanding it will take all actions legally permitted to enforce compliance by the Lessees with the Facilities Leases and the Companies with the Agreements, of their obligations thereunder, including specifically seeking specific performance by each of the Companies of their respective obligations to charge, collect and remit the CFC and other Supplemental Facility Charges (as applicable) including Contingent Rent, to the Board or (if directed by the Board) to the Trustee.

SECTION 404. Equality of Security. All CFC Bonds, regardless of Series, date of issuance or incurrence and date of sale, shall be secured by the pledge contained in Section 204; and the security so pledged shall not be used for any other purpose except as expressly permitted by the terms of this CFC Master Indenture, so long as any CFC Bonds remain Outstanding and unpaid.

SECTION 405. Equality of CFC Bonds. Except as otherwise specifically provided for with respect to Subordinated CFC Bonds, all CFC Bonds authorized hereunder shall be on a parity and rank equally without preference, priority or distinction over any other thereof as to security, regardless of the time or times of their issue, and the provisions, covenants and agreements set forth herein to be performed by and on behalf of the Board shall be for the equal benefit, protection and security of the Owners of any and all CFC Bonds. The Board covenants that, except for the Series 2018 CFC Bonds, it will not issue any obligations payable from the Revenues or, except as otherwise provided in Section 406, any other moneys pledged herein,

nor voluntarily create or cause or permit to be created any debt, lien, pledge or assignment, having priority over or being on a parity with, the CFC Bonds without complying with as applicable Sections 206(e) or (f) hereof. The above and foregoing notwithstanding the Board may issue Subordinated CFC Bonds as contemplated by this CFC Master Indenture.

SECTION 406. Against Pledge of Revenues. The Board shall not hereafter issue any CFC Bonds, notes, or other evidences of indebtedness secured by the pledge contained in Section 204 hereof, other than the Series 2018 CFC Bonds and Additional Bonds, including Completion CFC Bonds and shall not create or cause to be created any lien or charge on Revenues or on any amounts pledged for the benefit of Owners of CFC Bonds under this CFC Master Indenture; provided, however, that neither this Section nor any other provision of this CFC Master Indenture shall prevent the Board from (a) issuing CFC Bonds, notes or other evidences of indebtedness payable out of, or secured by a pledge of Revenues to be derived on and after such date as the pledge contained in Section 204 shall be discharged and satisfied as provided in Section 901 or (b) issuing Subordinated CFC Bonds.

SECTION 407. Offices for Servicing CFC Bonds. The Board shall at all times maintain one or more agencies where CFC Bonds of any Series may be presented for payment, registration, registration of transfer or exchange to the extent and in the manner specified in the Supplemental Indenture creating such Series and where notices, demands and other documents may be served upon the Board in respect of the CFC Bonds of any Series or of this CFC Master Indenture. The Board hereby appoints the Trustee an agent of the Board for all such purposes.

SECTION 408. Insurance. The Board shall maintain, or cause to be maintained, insurance with respect to the CFC Projects against such casualties and contingencies and in such amounts not less than is reasonably prudent. Such policies of insurance shall name the Board and the Trustee as additional insureds as their interests may appear. Any premiums for such policies of insurance shall be paid by the Companies and the Lessee(s) as provided in the Agreements and the Facilities Lease(s), respectively.

SECTION 409. Use of Insurance and Condemnation Proceeds. If the CFC Projects, or any portion thereof, shall be substantially damaged or destroyed by fire or other casualty, the Board shall deposit with the Trustee the net proceeds of any insurance received with respect thereto for application by the Trustee in the manner as may be required under the related Supplemental Indenture. If the CFC Projects, or any portion thereof, shall be substantially taken by the exercise of the power of eminent domain, the Board shall deposit with the Trustee the net award received with respect thereto for application by the Trustee in the manner as may be required under the related Supplemental Indenture.

SECTION 410. Annual Audit. The Board covenants that it will, within 30 days after receipt of an its annual audit for each Fiscal Year furnish the Trustee with a copy thereof, prepared in accordance with generally accepted accounting principles and certified by an Independent Accountant, covering the operation of the CFC Projects for such Fiscal Year. Such audit shall contain a calculation based on actual data enabling such Independent Accountant to certify that the covenant contained in Section 402 has been satisfied with respect to such Fiscal Year.

SECTION 411. Power to Issue CFC Bonds and Pledge Revenues. The Board is duly authorized under all applicable laws to issue the CFC Bonds, to execute, deliver and perform its obligations under this CFC Master Indenture and to make the pledge contained in Section 204 in the manner and to the extent provided. Except as otherwise stated in Section 406, the Revenues and moneys and securities so pledged are and will be free and clear of any pledge, lien, charge or encumbrance thereof or with respect thereto prior to, or of equal rank with, the pledge contained in Section 204 and all corporate or other action on the part of the Board to that end has been and will be duly and validly taken. The CFC Bonds and the provisions of this CFC Master Indenture are and will be valid and legally enforceable limited obligations of the Board in accordance with their terms and the terms of this CFC Master Indenture. The Board shall at all times, to the extent permitted by law, defend, preserve and protect the pledge contained in Section 204 and all the rights of the Owners of the CFC Bonds under this CFC Master Indenture against all claims and demands.

SECTION 412. Amendments to Agreements and Facility Lease. The Board covenants that so long as any Series of CFC Bonds remain Outstanding it will not consent to an amendment to the Facilities Lease(s) or Agreements which materially adversely affects the rights of Owners without consent of either (i) the Credit Provider for any Series of CFC Bonds to which a Facility is applicable or (ii) with respect to any Series of CFC Bonds for which there is no Credit Facility, a majority in principal amount of the Owners of such Series of CFC Bonds then Outstanding.

SECTION 413. Certain Credit Facility and Liquidity Facility Permitted Covenants. In the event that the Board issues a Series of CFC Bonds under this CFC Master Indenture and under a Supplemental Indenture secured by a Credit Facility or a Liquidity Facility, the Board may make reasonable covenants and agreements with the applicable Provider including, but not limited to, covenants and agreements related to the following:

- (a) The rate of funding or reimbursement of the Debt Service Reserve Requirement with respect to such Series, which shall not be less than the requirements provided herein;
- (b) The use of cash or available investments on deposit in the Debt Service Reserve Account with respect to such Series to pay debt service before or after payments pursuant to the Credit Facility or Liquidity Facility;
- (b) The application and priority of amounts deposited to the credit of the Debt Service Fund after payments pursuant to the Credit Facility or Liquidity Facility to reimburse the applicable Provider;
- (c) Reasonable advance notice of the need for provision of funds under the Credit Facility or Liquidity Facility;
- (d) The status of the applicable Provider as a third party beneficiary of the rights granted under this CFC Master Indenture and its ability to enforce the provisions of this CFC Master Indenture to the extent such rights may in fact benefit the Provider;

(e) The amendment of the substantive provisions of this CFC Master Indenture is subject to the consent of the Credit Provider, but on the condition that such consent not be unreasonably withheld;

(f) Limitations on the exercise of the rights of optional redemption with respect to such Series of CFC Bonds; and

(g) The Provider of any Credit Facility relating to a Series of CFC Bonds shall be considered the only Owner of such Series of CFC Bonds for the purposes of granting any and all consents to an amendment of this CFC Master Indenture, any Supplemental Indenture or the bonds of such Series of CFC Bonds.

SECTION 414. Further Assurances. The Board covenants that it will make or adopt and execute, or cause to be made, adopted and executed, any and all such further resolutions, acts, deeds, conveyances, assignments or assurances permitted by applicable law as may be reasonably required for effectuating the intention of this CFC Master Indenture, and for the better assuring and confirming unto the Owners of the CFC Bonds of the rights and benefits provided in this CFC Master Indenture or any Supplemental Indenture.

SECTION 415. Covenant as to Arbitrage. The Board agrees that so long as any Tax-Exempt Bonds remain Outstanding, money on deposit in any fund or account created and maintained by this CFC Master Indenture and the applicable Supplemental Indenture in connection with a particular series of Tax-Exempt Bonds, whether or not such money was derived from the proceeds of the sale of the CFC Bonds or from any other sources in connection therewith, will not be used in a manner that would cause such Series of Tax-Exempt Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code and applicable regulations promulgated from time to time thereunder (the “Regulations”). The Board shall observe and not violate the requirements of Section 148(c) of the Code and any applicable Regulations. In the event that Bond Counsel is of the opinion that it is necessary to restrict or limit the yield on the investment of moneys held by it or the Trustee relating to a particular series of Tax-Exempt Bonds and the applicable Supplemental Indenture, or to use such moneys in certain manners, in order to avoid such Series of Tax-Exempt Bonds being considered “arbitrage bonds” within the meaning of the Code and the Regulations as such may be applicable to the particular Series of Tax-Exempt Bonds at such time, the Board shall take such action or cause the Trustee to take such action. Further the Board shall enter into an arbitrage rebate agreement requiring the rebate of arbitrage earnings to the United States Treasury.

SECTION 416. Tax Covenant. The Board covenants that it shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on any Tax-Exempt Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Board covenants that it will comply with the instructions and requirements of the applicable Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of any Tax-Exempt Bonds.

In the event that at any time the Board is of the opinion that for investment of any moneys held by the Trustee under this CFC Master Indenture, the Board shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

Notwithstanding any provisions of this Section, if the Board shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on any Tax-Exempt Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the applicable Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 417. Provisions of Agreements. The Board agrees to promptly provide the Trustee fully executed copies of all Agreements executed and delivered by the Board with the On-Airport Rental Car Companies.

ARTICLE V. SUPPLEMENTAL INDENTURES

SECTION 501. Supplemental Indentures Effective Without Consent of Owners of CFC Bonds. (1) For any one or more of the following purposes and at any time or from time to time, a Supplemental Indenture may be authorized by a resolution adopted by the Board which, upon (i) the filing with the Trustee of a copy of such resolution certified by the Director of Aviation, (ii) the filing with the Trustee and the Board of an instrument in writing made by the Trustee consenting thereto, and (iii) the execution and delivery of such Supplemental Indenture by the Board and the Trustee, shall be fully effective in accordance with its terms:

- (a) to cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision;
- (b) to grant to the Trustee for the benefit of the Bondholders, additional rights, remedies, powers or authority;
- (c) to subject to this CFC Master Indenture additional collateral or to add other agreements or covenants of the Board;
- (d) to modify this CFC Master Indenture or the CFC Bonds to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute at the time in effect, or to permit the qualification of the CFC Bonds for sale under the securities laws of any state of the United States;
- (e) to facilitate the use of the book-entry system (or any successor depositary);
- (f) to evidence the succession of a new Trustee;
- (g) to make any change that does not materially adversely affect the rights of any Bondholder;

(h) to close this CFC Master Indenture against, or provide limitations and restrictions in addition to the limitations and restrictions contained in this CFC Master Indenture on, the authentication and delivery of CFC Bonds or the issuance of other evidences of indebtedness;

(i) to authorize a Series and, in connection therewith, specify and determine the matters and things referred to in Section 206 or Section 207 hereof, as the case may be, and also any other matters and things relative to such Series of CFC Bonds which are not contrary to or inconsistent with this CFC Master Indenture as theretofore in effect, or to amend, modify or rescind any such authorization, specification or determination at any time prior to the first authentication and delivery of such Series of CFC Bonds;

(j) to confirm, as further assurance, the pledge under Section 204, and the subjection to any lien, claim or pledge created or to be created by, this CFC Master Indenture;

(k) to facilitate the issuance of CFC Bonds of any applicable Series to bear interest at the Variable Rate;

(l) to implement the covenants of the Board as provided in Section 413 hereof and otherwise to facilitate the use of any Facility; and

(m) to modify any of the provisions of this CFC Master Indenture in any respect whatever; provided that (i) such modification shall be, and be expressed to be, effective only after all CFC Bonds Outstanding at the date of the adoption of such Supplemental Indenture and affected by such Supplemental Indenture (1) shall cease to be Outstanding, (2) are subject to mandatory purchase or (3) are subject to demand for purchase and whose Owners have received notice of such proposed Supplemental Indenture at least 30 days before the effective date of such Supplemental Indenture, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all CFC Bonds of any Series authenticated and delivered after the date of the adoption of such Supplemental Indenture and of such Series of CFC Bonds issued in exchange therefor or in place thereof.

SECTION 502. Supplemental Indentures Effective with Consent of Owners of CFC Bonds. At any time or from time to time, a Supplemental Indenture may be authorized by a resolution adopted by the Board, upon compliance with the provisions of Article VI, and upon execution and delivery of such Supplemental Indenture by the Board and the Trustee, shall become fully effective in accordance with its terms.

SECTION 503. General Provisions. (a) This CFC Master Indenture shall not be modified or amended in any respect except as provided in and in accordance with and subject to the provisions of this Article and Article VI. Nothing in this Article or Article VI contained shall affect or limit the right or obligation of the Board to adopt, make, do, execute, acknowledge or deliver any resolution, act or other instrument pursuant to the provisions of Section 414 or the right or obligation of the Board to execute and deliver to the Trustee any instrument which elsewhere in this CFC Master Indenture it is provided shall be delivered to the Trustee.

(b) Any resolution authorizing a Supplemental Indenture referred to and permitted or authorized by Section 501 may be adopted by the Board without the consent of any of the Owners of CFC Bonds, but such Supplemental Indenture shall be executed and delivered by the Board and the Trustee and shall become effective only on the conditions, to the extent and at the time provided in said Section. Every Supplemental Indenture delivered to the Trustee for execution shall be accompanied by a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully authorized by the Board and executed by the Board in accordance with the provisions of this CFC Master Indenture, is authorized or permitted by this CFC Master Indenture, and will, when executed and delivered by the Trustee, be valid and binding upon the Board and enforceable in accordance with its terms.

(c) The Trustee is hereby authorized to enter into, execute and deliver any Supplemental Indenture referred to and permitted or authorized by Section 501 or Section 502 and to make all further agreements and stipulations which may be therein contained, and the Trustee, in taking such action, shall be fully protected in relying on an opinion of counsel (which may be a Counsel's Opinion) that such Supplemental Indenture is authorized or permitted by the provisions of this CFC Master Indenture.

(d) No Supplemental Indenture shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

(e) The description of CFC Projects as set forth in a Supplemental Indenture, may be supplemented or amended at any time as provided in the applicable Supplemental Indenture, without notice to, or consent of the Owners of the CFC Bonds or any Credit Provider.

(f) The Trustee shall be provided with, and shall be fully protected in relying upon, an opinion of Bond Counsel as conclusive evidence that any such proposed supplemental indenture complies with the provisions of this Article V prior to joining in the execution of such supplemental indenture.

ARTICLE VI. AMENDMENTS

SECTION 601. Mailing of Notice of Amendment. Any provision in this Article for the mailing of a notice or other paper to Owners of CFC Bonds shall be fully complied with if it is mailed postage prepaid only (i) to each registered owner of then Outstanding CFC Bonds at his address, if any, appearing upon the Registration Books kept by the Trustee at its Principal Office, (ii) to each Credit Provider and (iii) to the Trustee.

SECTION 602. Powers of Amendment. Any modification or amendment of this CFC Master Indenture or of any Supplemental Indenture or of the rights and obligations of the Board and of the Owners of the CFC Bonds or Subordinated CFC Bonds, in particular, may be made by a Supplemental Indenture, with the written consent given as provided in Section 603, (a) of the Owners of a majority in principal amount of a Series of CFC Bonds or Subordinated CFC Bonds Outstanding at the time such consent is given and (b) in case less than all of the several Series of then Outstanding Series of CFC Bonds or Subordinated CFC Bonds are affected by the modification or amendment, of the Owners of a majority in principal amount of the then

Outstanding Series of CFC Bonds or Subordinated CFC Bonds so affected. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Series of CFC Bond or Subordinated CFC Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or in terms of purchase or the Purchase Price thereof, without the consent of the Owner of such CFC Bond or Subordinated CFC Bond (and for such purposes the Credit Provider for such CFC Bond or Subordinated CFC Bond shall not constitute the Owner as provided in the last sentence of this paragraph), or shall reduce the percentages or otherwise affect the classes of CFC Bonds or Subordinated Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. For the purposes of this Section, a Series of CFC Bonds or Subordinated CFC Bonds shall be deemed to be affected by a modification or amendment of this CFC Master Indenture if the same adversely affects or diminishes the rights of the Owners of CFC Bonds or Subordinated CFC Bonds of such Series. Further for the purposes of this Section the Credit Provider which is not in default under the applicable Credit Facility for any Series of CFC Bonds or Subordinated CFC Bonds shall constitute the sole Owner of such Bonds or Subordinated CFC Bonds except with respect to a change in the terms of redemption or maturity of the principal of any Outstanding Bond or Subordinated CFC Bonds or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or in terms of purchase of any Tender Bond or the Purchase Price thereof.

SECTION 603. Consent of Owners. (a) The Board may at any time authorize a Supplemental Indenture making a modification or amendment permitted by the provisions of Section 602, to take effect when and as provided in this Section. A copy of such Supplemental Indenture (or brief summary thereof or reference thereto in form approved by the Trustee), together with a request to the Owners of the CFC Bonds or Subordinated CFC Bonds for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Board to the Owners of the CFC Bonds or Subordinated CFC Bonds (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). For the purposes of this Section the Credit Provider which is not in default under the applicable Credit Facility for any Series of CFC Bonds or Subordinated CFC Bonds shall constitute the sole Owner of such CFC Bonds or Subordinated CFC Bonds except with respect to a change in the terms of redemption or maturity of the principal of any Outstanding CFC Bond or Subordinated CFC Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon, or in terms of purchase of any Tender Bond or the Purchase Price thereof. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when, (a) there shall have been filed with the Trustee (1) the written consents of Owners of the percentages of Outstanding CFC Bonds and Subordinated CFC Bonds specified in Section 602 or the applicable Credit Provider and (2) a Counsel's Opinion stating that such Supplemental Indenture has been duly and lawfully executed and delivered by the Board and the Trustee in accordance with the provisions of this CFC Master Indenture, is authorized or permitted hereby and is valid and binding upon the Board and enforceable in accordance with its terms upon its becoming effective as in this Section provided, and (b) a notice shall have been mailed as hereinafter in this Section provided.

(b) The consent of an Owner of CFC Bonds and Subordinated CFC Bonds to any modification or amendment shall be effective only if accompanied by proof of the ownership, at the date of such consent, of the CFC Bonds and Subordinated CFC Bonds with respect to which such consent is given, which proof shall be such as is permitted by Section 813. A certificate or certificates signed by the Trustee filed with the Trustee that it has examined such proof and that such proof is sufficient in accordance with Section 813 shall be conclusive that the consents have been given by the Owners of the CFC Bonds Subordinated CFC Bonds described in such certificate or certificates. Any such consent shall be binding upon the Owner of the CFC Bonds and Subordinated CFC Bonds, or Credit Provider giving such consent and upon any subsequent Owner of such Bonds and Subordinated CFC Bonds and of any CFC Bonds and Subordinated CFC Bonds issued in exchange therefor (whether or not such subsequent Owner thereof has notice thereof) unless such consent is revoked in writing by the Owner of such CFC Bonds and Subordinated CFC Bonds giving such consent or a subsequent Owner thereof by filing such revocation with the Trustee, prior to the time when the written statement of the Trustee hereinafter provided for in this Section is filed. The fact that a consent has not been revoked may likewise be proved by a certificate of the Trustee to the effect that no revocation thereof is on file with the Trustee.

(c) At any time after the Owners of the required percentages of CFC Bonds and Subordinated CFC Bonds or applicable Credit Provider shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Board and the Trustee a written statement that Owners of such required percentages of CFC Bonds and Subordinated CFC Bonds or applicable Credit Provider have filed such consents. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture entered into by the Board and the Trustee as of a stated date, a copy of which is on file with the Trustee) has been consented to by the Owners of the required percentages of CFC Bonds and Subordinated CFC Bonds and will be effective as provided in this Section, shall be given to Owners by the Board by mailing such notice to the Owners of the CFC Bonds and Subordinated CFC Bonds and each Credit Provider (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as provided in this Section). The Board shall file with the Trustee proof of the mailing of such notice. A record, consisting of the papers required or permitted by this Section to be filed with the Trustee, shall be proof of the matters therein stated. Such Supplemental Indenture making such amendment or modification shall be deemed conclusively binding upon the Trustee, each Credit Provider and the Owners of all CFC Bonds and Subordinated CFC Bonds 30 days after the filing with the Trustee of proof of the mailing of such last mentioned notice.

SECTION 604. Modifications by Unanimous Consent. The terms and provisions of this CFC Master Indenture and the rights and obligations of the Board and of the Owners of the CFC Bonds and Subordinated CFC Bonds hereunder may be modified or amended in any respect upon the consent of the Owners of all the then Outstanding Bonds and Subordinated CFC Bonds to the execution and delivery of such Supplemental Indenture, such consent to be given as provided in Section 603 except that no notice to the Owners of the Bonds and Subordinated CFC Bonds shall be required; but no such modification or amendment shall change or modify any of the rights or obligations of the Trustee without its written assent thereto.

SECTION 605. Exclusion of CFC Bonds and Subordinated CFC Bonds. CFC Bonds and Subordinated CFC Bonds owned by or for the account of the Board shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding CFC Bonds and Subordinated CFC Bonds provided for in this Article, and the Board shall not be entitled with respect to such CFC Bonds and Subordinated CFC Bonds to give any consent or take any other action provided for in this Article unless the Board owns all Outstanding CFC Bonds and Subordinated CFC Bonds affected by such consent or action. At the time of any consent or other action taken under this Article, the Board shall furnish the Trustee with a Certificate upon which the Trustee may rely, describing all CFC Bonds and Subordinated CFC Bonds so to be excluded.

SECTION 606. Notation on CFC Bonds. Any Series of CFC Bonds and Subordinated CFC Bonds authenticated and delivered after the effective date of any action taken as in Article V or this Article provided may, and, if the Trustee so determines, shall, bear a notation by endorsement or otherwise in form approved by the Board and the Trustee as to such action, and in that case upon demand of the Owner of any CFC Bond or Subordinated CFC Bond Outstanding at such effective date and presentation of his CFC Bond or Subordinated CFC Bond for that purpose at the Principal Office of the Trustee or upon any exchange or registration of transfer of any CFC Bond or Subordinated CFC Bond Outstanding at such effective date, suitable notation shall be made on such CFC Bond or Subordinated CFC Bond or upon any CFC Bond or Subordinated CFC Bond issued upon any such exchange or registration of transfer by the Trustee as to any such action. If the Board or the Trustee shall so determine, new CFC Bonds or Subordinated CFC Bonds of such Series so modified as in the opinion of the Trustee and the Board to conform to such action shall be prepared, authenticated and delivered, and upon demand of the Owner of any CFC Bond or Subordinated Bond then Outstanding shall be exchanged, without cost to such Owner, for CFC Bonds or Subordinated CFC Bonds of the same Series and maturity upon surrender of such CFC Bond or Subordinated CFC Bond.

ARTICLE VII. DEFAULT AND REMEDIES

SECTION 701. Event of Default. Each of the following events of default is hereby declared an "Event of Default:"

- (a) payment of the principal or Redemption Price, if any, of any CFC Bond shall not be made when and as the same shall become due, whether at maturity or upon call for redemption or otherwise;
- (b) payment of any installment of interest on any CFC Bond shall not be made when the same shall become due;
- (c) the Board shall fail or refuse to comply with the provisions of this CFC Master Indenture, or shall default in the performance or observance of any of the covenants, agreements, or conditions on its part contained herein or the CFC Bonds, which materially affects the rights of the Owners of the CFC Bonds and such failure, refusal or default shall continue for a period of 45 days after written notice thereof is given to the Board and the Companies by the Trustee or the Owners of not less than 25% in principal amount of the Outstanding CFC Bonds; provided, however, that in the case of any such

default which can be cured by due diligence but which cannot be cured within the 45 day period, the time to cure shall be extended for such period as may be necessary to remedy the default with all due diligence; or

- (d) an event of default shall occur and be continuing under the provisions of any Supplemental Indenture.

SECTION 702. Remedies. (a) Upon the happening and continuance of any Event of Default specified in paragraph (a) or (b) of Section 701, subject to the Trustee being furnished with security and indemnity to its satisfaction, the Trustee shall proceed, or upon the happening and continuance of any Event of Default specified in paragraph (c) or (d) of Section 701 (and as specified in any Supplemental Indenture with respect to additional events of default described thereunder), the Trustee may proceed, and upon the written request of the Owners of not less than 25% in principal amount of the Outstanding CFC Bonds, shall proceed, in its own name, subject to the provisions of this Section, to protect and enforce its rights and the rights of the Owners of the CFC Bonds by such of the following remedies or any additional remedies specified in one or more Supplemental Indentures with respect to a particular Series as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce such rights:

- (i) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Owners of the CFC Bonds including the right to require the Board or the Companies to receive and collect Revenues (including the Facility Charges, Contingent Rent, and any other Supplemental Facility Charges) adequate to carry out the covenants and agreements as to such Revenues and the pledge contained in Section 204 and to require the Board and the Companies to carry out any other covenant or agreement with the Owners of the CFC Bonds and to perform its duties under this CFC Master Indenture;
- (ii) by bringing suit upon the CFC Bonds;
- (iii) by action or suit in equity, require the Board to account as if it were the trustee of any express trust for the Owners of the CFC Bonds; or
- (iv) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Owners of the CFC Bonds.

(b) In the enforcement of any rights and remedies under this CFC Master Indenture, the Trustee shall be entitled to sue for, enforce payment on and receive any and all amounts then or during any default becoming, and at any time remaining, due from the Board and the Companies but only out of moneys pledged as security for the CFC Bonds for principal, Redemption Price, interest or otherwise, under any provision of this CFC Master Indenture or any Supplemental Indenture or of the CFC Bonds, and unpaid, with interest on overdue payments at the rate or rates of interest specified in such CFC Bonds, together with any and all costs and expenses of collection and of all proceedings hereunder and under such CFC Bonds without prejudice to any other right or remedy of the Trustee or of the Owners of the CFC Bonds, and to recover and enforce a judgment or decree against the Board and/or the Companies for any portion of such amounts remaining unpaid, with interest, costs and expenses, and to collect from any moneys

available under this CFC Master Indenture for such purpose, in any manner provided by law, the moneys adjudged or decreed to be payable.

SECTION 703. Priority of Payments after Default. (a) In the event that upon the happening and continuance of any Event of Default, the moneys held by the Trustee shall be insufficient for the payment of principal or Redemption Price, if any, and interest then due on the CFC Bonds, such moneys (other than moneys held for the payment or redemption of particular CFC Bonds which have theretofore become due at maturity or by call for redemption) and any other moneys received or collected by the Trustee acting pursuant to this Article, after making provision for the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the CFC Bonds and for the payment of the charges and expenses and liabilities incurred and advances made by the Trustee in the performance of its duties under this CFC Master Indenture, shall, except as otherwise provided with respect to moneys held for the exclusive benefit of particular CFC Bonds of a particular Series under the provisions of this CFC Master Indenture or Supplemental Indenture, be applied as follows:

First: to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or preference; and

Second: to the payment to the persons entitled thereto of the unpaid principal or Redemption Price of any CFC Bonds which shall have become due, whether at maturity or by call for redemption, in the order of their due dates with interest on such CFC Bonds from the respective dates upon which such principal or Redemption Price became due at the rate borne by the CFC Bonds and, if the amounts available shall not be sufficient to pay in full all the CFC Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price, if any, due on such date, to the persons entitled thereto, without any discrimination or preference.

(b) Whenever moneys are to be applied by the Trustee pursuant to the provisions of this Section, such moneys shall be applied by the Trustee at such times, and from time to time, as the Trustee in its sole discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. The deposit of such moneys with the Trustee, or otherwise setting aside such moneys in trust for the proper purpose, shall constitute proper application by the Trustee and the Trustee shall incur no liability whatsoever to the Board, to the Owner of any CFC Bond or to any other person for any delay in applying any such moneys, so long as the Trustee acts with reasonable diligence, having due regard for the circumstances, and ultimately applies the same in accordance with such provisions of this CFC Master Indenture as may be applicable at the time of application by the Trustee. Whenever the Trustee shall exercise such discretion in applying such moneys, it shall fix the date (which shall be a Payment Date unless the Trustee shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. The Trustee shall not be required to make payment to the Owner of any unpaid CFC Bond unless

such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

SECTION 704. Termination of Proceedings. In case any proceedings taken by the Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, then in every such case the Board, the Trustee, the Companies and the Owners of the CFC Bonds shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of the Trustee shall continue as though no such proceeding had been taken.

SECTION 705. Direction of Proceedings by Owners of CFC Bonds. The Owners of the majority in principal amount of the CFC Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, to direct the method of conducting all remedial proceedings to be taken by the Trustee hereunder, except that such direction shall not be otherwise than in accordance with law or the provisions of this CFC Master Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Owners of the CFC Bonds not parties to such direction, and further, the Trustee shall not be required to take any action until it shall have been offered indemnity satisfactory to it against costs, expenses and liabilities.

SECTION 706. Limitation on Rights of Owners of CFC Bonds. (a) No Owner of any CFC Bond shall have any right to institute any suit, action, mandamus or other proceeding in equity or at law under this CFC Master Indenture, or for the protection or enforcement of any right or remedy under this CFC Master Indenture or any right under law unless such Owner shall have given to the Trustee written notice of the Event of Default or breach of duty on account of which such suit, action or proceeding is to be taken, and unless the Owners of not less than 25% in principal amount of the CFC Bonds then Outstanding shall have made written request of the Trustee after the right to exercise such powers or right of action, as the case may be, shall have occurred, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers herein granted or granted under law or to institute such action, suit or proceeding in its name and unless, also, there shall have been offered to the Trustee reasonable security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or neglected to comply with such request within a reasonable time; and such notification, request and offer of indemnity are hereby declared in every such case (except with respect to the enforcement of credit enhancement devices securing CFC Bonds), at the option of the Trustee, to be conditions precedent to the execution of the powers under this CFC Master Indenture or for any other remedy under this CFC Master Indenture or under law. It is understood and intended that no one or more Owners of the CFC Bonds hereby secured shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this CFC Master Indenture, or to enforce any right under this CFC Master Indenture or under law with respect to the CFC Bonds or this CFC Master Indenture, except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the benefit of all Owners of the Outstanding CFC Bonds.

Each Owner of any CFC Bond by his acceptance thereof shall be deemed to have agreed that any court in its discretion may require, in any suit for the enforcement of any right or remedy

under this CFC Master Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the reasonable costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in any such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this paragraph shall not apply to any suit instituted by the Trustee, to any suit instituted by any Owner of any Bond, or group of such Owners, holding at least 25% in principal amount of the CFC Bonds Outstanding, or to any suit instituted by the Owner of any CFC Bond for the enforcement of the payment of the principal or Redemption Price of or interest on any CFC Bond on or after the respective due date thereof expressed in such CFC Bond.

Any Owner may exercise rights under paragraph (a) of this Section only upon the written consent of the Credit Provider of the related CFC Bond, if any, provided that such consent shall not be required if the rights of such Credit Provider have ceased and terminated as provided in paragraph (a) of Section 904.

SECTION 707. Possession of CFC Bonds by Trustee Not Required. All rights of action under this CFC Master Indenture or under any of the CFC Bonds enforceable by the Trustee may be enforced by it without the possession of any of the CFC Bonds or the production thereof at the trial or other proceeding relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name for the benefit of all the Owners of such CFC Bonds, subject to the provisions of this CFC Master Indenture.

Nothing in this Article contained shall affect or impair the right of the Owner of any CFC Bond to enforce the payment of the principal or Redemption Price, if any, of and interest on his CFC Bond or the obligation of the Board to pay the principal or Redemption Price, if any, of and interest on each CFC Bond issued under this CFC Master Indenture to the Owner thereof at the time and place in said CFC Bond, if any, expressed.

SECTION 708. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the CFC Bonds by this CFC Master Indenture is intended to be exclusive of any other remedy or remedies, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law, or in equity or by statute. It is expressly provided, however, that neither the Trustee nor any other Person, acting for their own account or on behalf of the Trustee or the Owners of the CFC Bonds, shall have any legal or equitable rights of access, possession, sale, or use of any CFC Project or the premises on which the same are situated, possessed, leased, used or held under the Agreements or the Facilities Lease(s), or to any proceeds, revenues, income or rents derived from the sale, use, letting or reletting thereof, for the purpose of collecting or satisfying any claim against a Company for amounts due and payable by a Company under its Agreement or this CFC Master Indenture.

SECTION 709. No Waiver of Default. No delay or omission by the Trustee or by the Owner of any CFC Bond to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or any acquiescence therein and every power and remedy given by this CFC Master Indenture to the

Trustee and the Owners of the CFC Bonds, respectively, may be exercised from time to time and as often as may be deemed expedient.

SECTION 710. Notice to Owners of CFC Bonds. The Trustee shall give to the Owners of the CFC Bonds notice of each Event of Default under this CFC Master Indenture known to the Trustee within 90 days after knowledge of the occurrence thereof, unless such Event of Default shall have been remedied or cured or necessary moneys provided before the giving of such notice; but, except in the case of default in the payment of the principal or Redemption Price, if any, of or interest on any of the CFC Bonds, the Trustee shall be protected in withholding such notice if and so long as the board of directors, the executive committee, or a trust committee of directors or responsible officers of the Trustee in good faith determines that the withholding of such notice is in the interests of the Owners of the CFC Bonds. Each such notice shall be given by the Trustee by mailing written notice thereof: (a) to all registered owners of the CFC Bonds as the names and addresses of such Owners appear in the Registration Books as kept by the Trustee or, in the case of Section 208 Obligations or Section 209 Obligations, as set forth in the instrument creating the same, (b) to each Credit Provider, (c) to the Companies and (d) to such other persons as is required by law.

ARTICLE VIII. CONCERNING THE TRUSTEE

SECTION 801. Qualification of Trustee. The Trustee hereunder shall be a bank, trust company or national banking association having the powers of a trust company doing business and having an office in the City of Baton Rouge, Louisiana.

SECTION 802. Responsibilities of Trustee. (a) The recitals of fact herein and in the CFC Bonds contained shall be taken as the statements of the Board and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this CFC Master Indenture or any Supplemental Indenture or of any CFC Bonds issued thereunder or in respect of the security afforded by this CFC Master Indenture or any Supplemental Indenture, and the Trustee shall not incur any responsibility in respect thereof. The Trustee shall, however, be responsible for its representation contained in its certificate of authentication on the CFC Bonds. The Trustee shall not be under any responsibility or duty with respect to the issuance of the CFC Bonds for value or the application of the proceeds thereof except to the extent such proceeds are paid to the Trustee in its capacity as Trustee, or the application of any moneys paid to the Board or others in accordance with this CFC Master Indenture or any Supplemental Indenture. The Trustee shall not be under any obligation or duty to perform any act that would involve it in expense or liability or to institute or defend any action or suit in respect hereof, or to advance any of its own moneys, unless properly indemnified. Subject to the provisions of paragraph (b) of this Section, the Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

The Trustee, prior to the occurrence of an Event of Default and after the remedy of all Events of Default that may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this CFC Master Indenture and each Supplemental Indenture. In case an Event of Default has occurred and has not been remedied, the Trustee shall exercise

such of the rights and powers vested in it by law, this CFC Master Indenture and each Supplemental Indenture, and shall use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of his or her own affairs. Any provision of this CFC Master Indenture and any Supplemental Indenture relating to action taken or so to be taken by the Trustee or to evidence upon which the Trustee may rely shall be subject to the provisions of this Section.

The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to any of the CFC Bonds, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with any of the CFC Bonds.

SECTION 803. Funds Held in Trust and Security Therefor. All moneys held by the Trustee, as such, at any time pursuant to the terms of this CFC Master Indenture or any Supplemental Indenture shall be and hereby are assigned, transferred and set over unto the Trustee in trust for the purposes and upon the terms and conditions of this CFC Master Indenture or such Supplemental Indenture. Subject to the provisions of Section 312, all moneys (not including securities) held by the Trustee, as such, may be deposited by the Trustee in its banking department, or with such other banks, trust companies, or national banking associations, each having its principal place of business in the City of New Orleans, Louisiana, as may be designated by the Board and approved by the Trustee. No such funds shall be deposited with any bank, trust company or national banking association, other than the Trustee, in an amount exceeding 25% of the amount which an officer of such bank, trust company or national banking association shall certify to the Trustee and the Board as the combined capital, surplus and undivided profits of such bank, trust company or national banking association. No such funds shall be deposited or remain on deposit with any bank, trust company or national banking association in excess of the amount insured by the Federal Deposit Insurance Corporation, unless (a) such bank, trust company or national banking association shall have deposited in trust with the trust department of the Trustee or with a Federal Reserve Bank or branch or, with the written approval of the Trustee and the Board, pledged to some other bank, trust company or national banking association, for the benefit of the Board and the appropriate Fund, Account, sub-fund or sub-account, as collateral security for the moneys deposited, Qualified Collateral having a current market value (exclusive of accrued interest) at least equal to 110% of the amount of such moneys, or (b) in lieu of such collateral security as to all or any part of such moneys, there shall have been deposited in trust with the trust department of the Trustee, for the benefit of the Board and the appropriate Fund, Account, sub-fund or sub-account, and remain in full force and effect as security for such moneys or part thereof, the indemnifying bond or CFC Bonds of a surety company or companies qualified as surety for deposits of funds of the United States of America and qualified to transact business in the State of Louisiana in a sum at least equal to the amount of such moneys or part thereof. The Trustee shall allow and credit interest on any such moneys held by it at such rate as it customarily allows upon similar moneys of similar size and under similar conditions or as required by law. Interest in respect of moneys or on securities in any Fund, Account, sub-fund or sub-account shall be credited in each case to the Fund, Account, sub-fund or sub-account in which such moneys or securities are held.

SECTION 804. Evidence on Which Trustee May Act. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may or may not be counsel to the Board, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith. Whenever the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, including payment of moneys out of any Fund or Account, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate, and such Certificate shall be full warrant for any action taken or suffered in good faith under the provisions of this CFC Master Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable. Except as otherwise expressly provided herein or therein, any request, order, notice or other direction required or permitted to be furnished pursuant to any provision hereof or thereof by the Board to the Trustee shall be sufficiently executed if executed in the name of the Board by an Authorized Board Representative.

SECTION 805. Compensation and Expenses. The Board shall pay to the Trustee from time to time reasonable compensation for all services rendered under this CFC Master Indenture or any Supplemental Indenture, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees incurred in and about the performance of their powers and duties under this CFC Master Indenture or any Supplemental Indenture, and, except as provided below and in any Supplemental Indenture, the Trustee shall have a lien therefor on any and all moneys at any time held by it under this CFC Master Indenture or any Supplemental Indenture. The Board further agrees to indemnify and save the Trustee harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder, which are not due to its negligence or default. The Trustee acknowledges that its compensation, fees, expenses and indemnification costs provided in this Section are payable solely from amounts on deposit from time to time in the Administrative Costs Fund and are not an obligation of the Board. The lien and security interest in the Trust Estate provided in this Section for the purpose of securing the compensation, fees, expenses and indemnification costs of the Trustee shall be prior to the claims, liens and security interests of any party in the Trust Estate except the claims of Owners for the payment of principal or Redemption Price of or interest on the CFC Bonds and except that moneys received pursuant to a Credit Facility or Liquidity Facility may not be used to pay such compensation, fees, expenses and indemnification costs of the Trustee.

SECTION 806. Permitted Acts and Functions. The Trustee may become the Owner of any CFC Bonds, with the same rights it would have if it were not the Trustee. To the extent permitted by law, the Trustee may act as depositary for, and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners of CFC Bonds or to effect or aid in any reorganization growing out of the enforcement of the CFC Bonds or this CFC Master Indenture or any Supplemental Indenture, whether or not any such committee shall represent the Owners of a majority in principal amount of the CFC Bonds then Outstanding.

SECTION 807. Resignation. The Trustee may at any time resign and be discharged of its duties and obligations created by this CFC Master Indenture by giving not fewer than 60 days' written notice to the Board, and by mailing notice thereof to each Credit Provider, to the Companies and to the Owners of CFC Bonds at their addresses shown on the Registration Books kept by the Trustee within 20 days after the giving of such written notice to the Board. Such resignation shall take effect upon the appointment of a successor by the Board or the Owners of CFC Bonds as herein provided.

SECTION 808. Removal. With not less than thirty (30) days prior written notice to the Trustee, the Trustee may be removed at any time by the Owners of a majority in principal amount of the Bonds then Outstanding, excluding any CFC Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners (or by their attorneys duly authorized in writing) and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Credit Provider, to the Companies and to the Trustee and any successor. With not less than thirty (30) days prior written notice to the Trustee, the Board may remove the Trustee at any time, except during the existence of an Event of Default, for such cause as shall be determined in the sole discretion of the Board, by filing with the Trustee an instrument signed by an Authorized Board Representative and by mailing notice thereof to each Credit Provider and Liquidity Provider, and to the Owners of CFC Bonds and Subordinated CFC Bonds at their addresses shown on the Registration Books kept by the Trustee. Any removal of the Trustee shall take effect upon the appointment of a successor Trustee.

SECTION 809. Appointment of Successor. In case at any time the Trustee shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the CFC Bonds then Outstanding, excluding any CFC Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed by such Owners (or by their attorneys duly authorized in writing) and delivered to such successor Trustee, notification thereof being given to the Board, each Credit Provider, each Liquidity Provider, the Owners of Subordinated CFC Bonds the Companies and the predecessor Trustee. Pending such appointment, the Board shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee (if any) shall be appointed by the Owners of CFC Bonds as herein authorized. The Board shall mail notice to each Credit Provider, each Liquidity Provider, to the Companies and to the Owners of the CFC Bonds of any such appointment within 20 days after such appointment. Any successor Trustee appointed by the Board shall, immediately and without further act, be superseded by a Trustee appointed by the Owners of CFC Bonds. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Board written notice of resignation as provided in Section 807 or after the occurrence of any other event requiring or authorizing such appointment, the Trustee, any Credit Provider or any Owner of CFC Bonds may apply to any court of competent jurisdiction to appoint a successor. Said court may thereupon, after such notice, if any, as said court may deem proper and prescribe, appoint such successor Trustee. Any Trustee appointed under the provisions of this Section shall be a bank, trust company or national banking association, doing business and having an office in the City of New Orleans, Louisiana.

SECTION 810. Transfer of Rights and Property to Successor. Any successor Trustee appointed under this CFC Master Indenture shall execute, acknowledge and deliver to its predecessor Trustee, and also to the Board, a written instrument of acceptance respecting such appointment, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Trustee, with like effect as if originally named as Trustee; but the Trustee ceasing to act shall nevertheless, on the request of the Board, or of the successor Trustee, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Trustee all the right, title and interest of the predecessor Trustee in and to any property held by it under this CFC Master Indenture, and shall pay over, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the Board be required by such successor Trustee for more fully and certainly vesting in and confirming to such successor Trustee any such estates, rights, powers and duties, any and all such deeds, conveyances and instruments in writing shall, on request, and so far as may be authorized by law, be executed, acknowledged and delivered by the Board.

SECTION 811. Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be a bank, trust company or national banking association which is qualified to be a successor to the Trustee under Section 809 and shall be authorized by law to perform all the duties imposed upon it by this CFC Master Indenture and any Supplemental Indenture, shall be the successor to the Trustee without the execution or filing of any paper or the performance of any further act.

SECTION 812. Adoption of Authentication. In case any of the CFC Bonds contemplated to be issued under this CFC Master Indenture shall have been authenticated but not delivered, any successor Trustee may adopt the certificate of authentication of any predecessor Trustee so authenticating such CFC Bonds and deliver such CFC Bonds so authenticated, and in case any of the said CFC Bonds shall not have been authenticated, any successor Trustee may authenticate such CFC Bonds in the name of the predecessor Trustee, or in the name of the successor Trustee, and in all such cases such certificate shall have the full force which it is anywhere in said CFC Bonds or in this CFC Master Indenture provided that the certificate of the Trustee shall have.

SECTION 813. Evidence of Signatures of Owners and Ownership of CFC Bonds. (a) Any request, consent or other instrument which this CFC Master Indenture may require or permit to be signed and executed by the Owners of CFC Bonds may be in one or more instruments of similar tenor, and shall be signed or executed by such Owners in person or by their attorneys appointed in writing. Proof of (i) the execution of any such instrument, or of an instrument appointing any such attorney, or (ii) the ownership by any Person of the CFC Bonds, shall be sufficient for any purpose of this CFC Master Indenture (except as otherwise herein expressly provided) if made in the following manner, but the Trustee may nevertheless in its discretion require further or other proof in cases where it deems the same desirable:

(1) The fact and date of the execution by any Owner or his attorney of such instrument may be proved by the certificate, which need not be acknowledged or verified, of an officer of a bank or trust company satisfactory to the Trustee or of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction in which he purports to act, that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

(2) The authority of the Person or Persons executing any such instrument on behalf of a corporate Owner of CFC Bonds may be established without further proof if such instrument is signed by a Person purporting to be the president or vice president of such corporation with a corporate seal affixed and attested by a Person purporting to be its secretary or an assistant secretary.

(b) The ownership of CFC Bonds and the amount, numbers and other identification, and date of ownership of the same shall be proved by the Registration Books. Any request consent or vote of the Owner of any CFC Bond shall bind all future Owners of such CFC Bond in respect of anything done or suffered to be done by the Board or the Trustee in accordance therewith.

SECTION 814. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this CFC Master Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Board, any Credit Provider and any Owner of CFC Bonds and their agents and their representatives, any of whom may make copies thereof.

SECTION 815. Separate Records. The Trustee shall keep proper books of records and accounts, separate from all other records and accounts, in which complete and correct entries shall be made of all transactions relating to the remittance by the Companies of the Facility Charges, Contingent Rent, if any, and any Supplemental Facility Charges, the Construction Fund, the Administrative Costs Fund, the Revenue Fund, the Debt Service Fund, any Debt Service Account, any Debt Service Reserve Account, the Maintenance Reserve Fund, the Coverage Fund, the Surplus Fund, the Insurance and Condemnation Proceeds Fund and the Costs of Issuance Fund and shall provide the Companies and Board with monthly reports of all transactions and fund balances.

SECTION 816. Reports of Trustee. Within 45 days after the end of the Board's Fiscal Year, the Trustee shall furnish to the Board and the Companies a copy of a report by the Trustee covering such Fiscal Year, showing the following information:

(1) A detailed statement concerning the receipt and disposition of all payments of Facility Charges, Contingent Rent, if any, and other Supplemental Facility Charges, if any;

(2) A detailed statement concerning the disposition of the amounts in each Construction Fund (until the Construction Fund for a Series of CFC Bonds shall have been fully disposed of); and

(3) An asset statement or balance sheet of all Funds established by Article III hereof as of the end of said Fiscal Year.

SECTION 817. Registration Books. So long as any of the CFC Bonds shall remain Outstanding, the Trustee shall maintain Registration Books for the registration and transfer of CFC Bonds upon the terms and subject to the conditions contained herein and in any Supplemental Indenture.

SECTION 818. Acceptance of Trust. The Trustee accepts and agrees to execute the trusts hereby created, but only upon the additional terms set forth in this Article VIII, to all of which the parties hereto and the Bondholders agree.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and shall not be liable for any actions taken with respect to such duties except for any action resulting from its negligence or willful misconduct. No implied covenants shall be read into this Indenture against the Trustee and the permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty. In case an Event of Default has occurred (which has not been cured or waived) the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees and shall be entitled to advice of Counsel and shall have full reliance thereon concerning its duties hereunder.

(c) Each of the Trustee and the Registrar and Paying Agent shall not be responsible for any recital herein, or in the Bonds (except with respect to the certificate of the Registrar and Paying Agent endorsed on the Bonds), or, for the recording or rerecording, filing or refiling of any instrument required to secure the Bonds, or for the validity of the execution by the Board of this Indenture, or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby.

(d) Each of the Trustee and the Registrar and Paying Agent shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Bondholder of Bonds secured hereby with the same rights which it would have if not the Trustee hereunder.

(e) Each of the Trustee and the Registrar and Paying Agent shall be protected in acting upon any notice, request, consent, Certificate, order, affidavit, letter, opinion of Counsel, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper Person or Persons. Any action taken by the Trustee or the Registrar and Paying Agent pursuant to this Indenture upon the request of the Board or consent of any Person who at the time of making such request or giving such consent is the Bondholder of any Bond or an Authorized Board Representative, shall be conclusive and binding upon all future Bondholders of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee and the Registrar and Paying Agent shall be entitled to rely upon a Certificate as sufficient evidence of the facts therein contained and prior to the occurrence of a default of which the Trustee has been notified as provided in Section 818(h) hereof, or of which by Section 818(h) it is deemed to have notice, shall also be at liberty to accept a similar Certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may, at its discretion, require such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same. The Trustee and the Registrar and Paying Agent may accept a Certificate from the Board to the effect that an authorization in the form therein set forth has been adopted by the Board as conclusive evidence that such authorization has been duly adopted, and is in full force and effect.

(g) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement or other disclosure material prepared or distributed with respect to the Bonds, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Bonds.

(h) Each of the Trustee and the Registrar and Paying Agent shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Board to cause to be made any of the payments to either the Trustee or the Registrar and Paying Agent required to be made herein, any withdrawal from the Debt Service Reserve Fund, failure by the Board to file with either the Trustee or the Registrar and Paying Agent any document required by this Indenture to be so filed subsequent to the issuance of the Bonds (unless such filing is conditioned upon the occurrence of any event of which the Trustee or the Registrar and Paying Agent is not required to take notice or deemed to have notice), or any other event of which the “responsible trust officer” has actual knowledge, and which event, with the giving of notice or the lapse of time or both, would constitute an Event of Default under this Indenture unless the Trustee or the Registrar and Paying Agent shall be specifically notified in writing of such default by the Board, or by any Bondholder and all notices or other instruments required by this Indenture to be delivered to the Trustee or the Registrar and Paying Agent, must, in order to be effective, be delivered at the principal corporate trust office of the Trustee or the Registrar and Paying Agent, and in the absence of such notice so delivered the Trustee or the Registrar and Paying Agent may conclusively assume there is no default except as aforesaid. For the purposes of this subsection “**responsible trust officer**” shall mean the trust officer of the Trustee assigned to supervise this Indenture, such trust officer’s immediate superior and any attorneys, service provider or consultants retained by the Trustee with respect to this Indenture at the time in question and “**actual knowledge**” shall mean actual fact or statement of knowing without any duty to make any investigation. The Trustee and the Registrar and Paying Agent may, however, at any time require of the Board full information as to the performance of any covenant hereunder and under the Financing Documents; and if information satisfactory to it is not forthcoming either, the Trustee or the Registrar and Paying Agent may make or cause to be made, at the expense of the Board, an investigation into the affairs of the Board related to this Indenture.

(i) At any and all reasonable times during normal business hours and upon reasonable prior notice, the Trustee, any Interested Bondholder and their respective duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect any and all of the property herein conveyed, including all books, papers and records of the Board

pertaining to the Facility and the Bonds, and to take such memoranda from and with regard thereto as may be desired.

(j) Each of the Trustee and the Registrar and Paying Agent shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee and the Registrar and Paying Agent shall have the right, but shall not be required, to demand any showings, Certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action, by the Trustee and the Registrar and Paying Agent deemed desirable for the purpose of establishing the right of the Board to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee and the Registrar and Paying Agent.

(l) All moneys received by each of the Trustee and the Registrar and Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purpose for which they were received but need not be segregated from other funds except to the extent required by law.

(m) Without the Approval of Bondholders, neither the Trustee nor any financial institution affiliated with the Trustee shall extend credit to the Board, except as specifically authorized by this Indenture and except for the maintenance by the Board of checking accounts or time deposit accounts with the Trustee and except for acting as a fiduciary for employee benefit plans.

(n) The Trustee shall, from time to time, and upon written request of the Board provide a certificate setting forth the names and addresses of Bondholders.

(o) Whether or not an Event of Default shall have occurred, the Trustee shall not be under any obligation to take any action under this Indenture that may involve it in any expense or liability, the payment of which within a reasonable time is not, in its opinion, assured to it by the security afforded to it by the terms of this Indenture, unless it is requested in writing to do so by the Bondholders or one or more owners of the Bonds outstanding hereunder, in accordance with the provisions of this Indenture, and furnished, from time to time as it may require, with security and indemnity satisfactory to it;

(p) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions (“**Instructions**”) given pursuant to this Indenture and delivered using Electronic Means; provided, however, that the Board shall provide to the Trustee an incumbency certificate listing its respective officers or other authorized persons with the authority to provide such Instructions and containing specimen signatures of each such Authorized Board Representative, which incumbency certificate shall be amended by the Board whenever a person is to be added or deleted from the listing. If the Board elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the

Trustee's understanding of such Instructions shall be deemed controlling. The Board understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Board Representative listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Board Representative. The Board shall be responsible for ensuring that only an Authorized Board Representative transmits such Instructions to the Trustee and that the Board and all Authorized Board Representatives are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Board. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Board agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Board; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. For purposes hereof, "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

ARTICLE IX. DEFEASANCE

SECTION 901. Defeasance. (a) If the Board shall pay or cause to be paid to the Owners of all CFC Bonds and Subordinated CFC Bonds, the principal and interest and Redemption Price, if any, to become due thereon, then the pledge contained in Section 204 and all other rights granted hereby shall be discharged and satisfied, in such event, the Trustee shall, upon the request of the Board expressed in a Certificate, execute and deliver to the Board all such instruments as may be desirable to evidence such discharge and satisfaction and the Trustee shall pay over or deliver to the Board all Accounts, Funds and other moneys or securities held by it pursuant to this CFC Master Indenture and such Supplemental Indentures which are not required for the payment or redemption of CFC Bonds not theretofore surrendered for such payment or redemption.

(b) Any Series of CFC Bonds or Subordinated CFC Bonds or interest installments appertaining thereto, whether at or prior to the maturity or the redemption date of such Series of CFC Bonds or Subordinated CFC Bonds, shall be deemed to have been paid within the meaning and with the effect expressed in paragraph (a) of this Section if (i) in case any such Series of CFC Bonds or Subordinated CFC Bonds are to be redeemed prior to the maturity thereof, there shall have been taken all action necessary to call such Series of CFC Bonds or Subordinated CFC Bonds for redemption and notice of such redemption shall have been duly given or provision satisfactory

to the Trustee shall have been made for the giving of such notice, (ii) there shall have been deposited with the Trustee by or on behalf of the Board either moneys in an amount which shall be sufficient, or Defeasance Obligations the principal of and the interest on which when due (without reinvestment thereof) will provide moneys which, together with the moneys, if any, on deposit with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Series of CFC Bonds or Subordinated CFC Bonds on and prior to the redemption date or maturity date thereof, as the case may be and (iii) in the event said Series of CFC Bonds or Subordinated CFC Bonds are not by their terms subject to redemption within the next succeeding 45 days, the Board shall have given the Trustee, in form satisfactory to it, irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such Series of CFC Bonds or Subordinated CFC Bonds that the deposit required by clause (ii) above has been made with the Trustee and that said Series of CFC Bonds or Subordinated CFC Bonds are deemed to have been paid in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if any, of, and accrued interest on, said Series of CFC Bonds or Subordinated CFC Bonds. Except as provided in paragraph (e) of this Section, neither the Defeasance Obligations or any moneys so deposited with the Trustee nor any moneys received by the Trustee on account of principal of or interest on said Defeasance Obligations shall be withdrawn or used for any purpose other than, and all such moneys shall be held in trust for and be applied to, the payment, when due, of the principal or Redemption Price of the Bonds or Subordinated CFC Bonds for the payment or redemption of which they were deposited and the interest accrued thereon to the date of maturity or redemption.

(c) No defeasance of a CFC Bond that is to be paid more than 90 days after the date of the deposit referred to in clause (ii) of paragraph (b) of this Section shall be effective until the Trustee shall have received a verification report signed by an Independent Accountant that the Defeasance Obligations and moneys to be deposited for such purpose are sufficient to pay the principal and Redemption Price of, and interest on, all CFC Bonds and Subordinated CFC Bonds with respect to which provision for payment is to be made pursuant to this Section by virtue of the deposit of such Defeasance Obligations and moneys.

(d) In the event that the principal of and interest on a CFC Bond or Subordinated CFC Bond shall be paid by a Provider pursuant to the terms of the related Facility, the pledge of revenues, securities and funds and all other covenants, agreements and other obligations of the Board to the Owner of such CFC Bond or Subordinated CFC Bonds shall continue to exist and the related Provider shall be fully subrogated to the rights of such Owner.

(e) Defeasance Obligations and moneys held pursuant to this Section may be withdrawn by the Board provided that there is substituted in place of such Defeasance Obligations and moneys other Defeasance Obligations and moneys sufficient for the purposes of this Section and, provided further that, prior to such substitution there is filed with the Trustee (i) a verification report signed by an Independent Accountant that the Defeasance Obligations and moneys, as substituted, are sufficient to pay the principal and Redemption Price of, and interest on, all CFC Bonds and Subordinated CFC Bonds with respect to which provision for payment was made by deposit of such substituted Defeasance Obligations pursuant to the provisions of this Section and

(ii) an opinion of Bond Counsel to the effect that such substitution has been duly authorized in accordance with this CFC Master Indenture.

(f) For purposes of determining whether Variable Rate CFC Bonds or Subordinated CFC Bonds shall be deemed to have been paid prior to the maturity or redemption date thereof, as the case may be, by the deposit of monies, or Defeasance Obligations and monies, if any, in accordance with sub-paragraph (b) of this Section, the interest to come due on such Variable Rate CFC Bonds or Subordinated CFC Bonds on or prior to the maturity date or redemption date thereof, as the case may be, shall be calculated at the Maximum Rate; provided, however, that if on any date, as a result of such Variable Rate having borne interest at less than such Maximum Rate for any period, the total amount of monies and Defeasance Obligations on deposit with the Trustee for the payment of interest on such Variable Rate CFC Bonds or Subordinated CFC Bonds is in excess of the total amount which would have been required to be deposited with the Trustee on such date in respect of such Variable Rate in order to satisfy the provisions of sub-paragraph (b) of this Section, the Trustee shall, if requested by the Board, pay promptly the amount of such excess to the Board free and clear of any trust, lien, pledge or assignment securing the Variable Rate CFC Bonds or Subordinated CFC Bonds.

(g) Tender Bonds shall be deemed to have been paid in accordance with sub-paragraph (b) of this Section only if, in addition to satisfying the requirements thereof, there shall have been deposited with the Trustee monies in an amount which shall be sufficient to pay, when due, the maximum amount of principal of and premium, if any, and interest on such CFC Bonds or Subordinated CFC Bonds which could become payable to the Registered Owners of such Tender Bonds upon the exercise of any options provided to the Owners thereof on a purchase date to be scheduled no later than the first possible purchase date (whether upon mandatory or optional tender) upon purchase of such Tendered Bonds they will be cancelled or alternatively the Trustee shall have received written notice from the Rating Agency that such defeasance will not result in the reduction or withdrawal of the rating on such Tender Bonds; provided, however, that if, at the time a deposit is made with the Trustee, pursuant to the provisions of sub-paragraph (b) of this Section, the options originally exercisable by the Owners of Tender Bonds are no longer exercisable, such Tender Bonds shall not be considered for purposes of this sub-paragraph (h). If any portion of the monies deposited with the Trustee for the payment of the principal amount of and premium, if any, and interest on Tender Bonds is not required for such purpose the Trustee shall, if requested by the Board, pay promptly the amount of such excess to the Board free and clear of any trust, lien, pledge or assignment securing said Tender Bonds.

(h) As a condition to any defeasance hereunder, the Board shall furnish the Trustee with an Opinion of Bond Counsel in form and substance satisfactory to the Trustee to the effect that the payment of the CFC Bonds has been provided for in the manner set forth in this Indenture, that all obligations of the Board with respect to the CFC Bonds have been discharge and satisfied, and the defeasance will not adversely impact the exclusion from gross income for federal income tax purposes of interest on the CFC Bonds.

ARTICLE X. MISCELLANEOUS

SECTION 1001. Funds Held for Particular Series of CFC Bonds. (a) The amounts held by the Trustee for the payment of the interest, principal or Redemption Price or accrued interest due on any date with respect to particular CFC Bonds or Subordinated CFC Bonds shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the CFC Bonds or Subordinated CFC Bonds entitled thereto and for the purposes of this CFC Master Indenture, such interest, principal or Redemption Price, after the due date thereof, shall no longer be considered to be unpaid.

(b) If, through the deposit of moneys by the Board or otherwise, the Trustee shall hold, pursuant to this CFC Master Indenture, moneys sufficient to pay the principal and interest to maturity on all Outstanding CFC Bonds or Subordinated CFC Bonds or in the case of any thereof in respect of which the Board shall have taken all action necessary to redeem prior to maturity, sufficient to pay the Redemption Price and interest to such redemption date, then at the request of the Board all moneys held by the Trustee, shall be held for the payment or redemption of Outstanding CFC Bonds or Subordinated CFC Bonds.

(c) Unless otherwise specified in any Supplemental Indenture securing CFC Bonds or Subordinated CFC Bonds, any moneys held by the Trustee in trust for the payment and discharge of any of thereof which remain unclaimed for six years after the date when all of the CFC Bonds or Subordinated CFC Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for six years after the date of deposit of such moneys if deposited with the Trustee after the said date when all of the CFC Bonds or Subordinated CFC Bonds became due and payable, shall, at the written request of the Board, be repaid by the Trustee to the Board, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged.

SECTION 1002. No Recourse under CFC Master Indenture or on CFC Bonds, Subordinated CFC Bonds. All covenants, stipulations, promises, agreements and obligations of the Board contained in this CFC Master Indenture or any Supplemental Indenture shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Board and not of any officer or employee of the Airport or the Board in his individual capacity, and no recourse shall be had for the payment of the principal or Redemption Price of or interest on the CFC Bonds or Subordinated CFC Bonds or for any claim based thereon or on this CFC Master Indenture or any Supplemental Indenture against any officer or employee of the Airport or the Board or any natural person executing the CFC Bonds or Subordinated CFC Bonds.

SECTION 1003. Rights of Credit Providers and Liquidity Providers. (a) All rights of any Credit Provider or Liquidity Provider under Article V, Article VI and Article VII shall cease and terminate if: (i) such Provider has failed to make any payment under its Credit Facility or Liquidity Facility; (ii) such Credit Facility or Liquidity Facility shall cease to be valid and binding on such Provider or shall be declared to be null and void, or the validity or enforceability of any provision thereof is being contested by such Provider, or such Provider is denying further liability or obligation under such Facility; (iii) a petition has been filed and is pending such Provider under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, and has not been dismissed within sixty days

after such filing; (iv) such Provider has filed a petition, which is still pending, in voluntary bankruptcy or is seeking relief under any provision of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution, liquidation or rehabilitation law of any jurisdiction, or has consented to the filing of any petition against it under any such law; or (v) a receiver has been appointed for such Provider under the insurance laws of any jurisdiction.

(b) As long as any Credit Facility and Liquidity Facility shall be in full force and effect, the Board and the Trustee shall comply with all provisions of the Facility.

SECTION 1004. No Pledge of Taxing Power. No provision of this CFC Master Indenture shall be construed as a pledge of the general credit or taxing power of the Board or the City. The Board's obligations hereunder are payable solely from the Revenues and the other items of the Trust Estate, and no obligation of the Board or the City hereunder shall be required to be satisfied from any source other than the other items of the Trust Estate.

SECTION 1005. Notices. Except as otherwise provided herein, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given to the parties required hereunder to receive such notice, certificate or communication when mailed by registered mail, postage prepaid, addressed as follows:

If to Board:

Kevin Dolliole, Director of Aviation
New Orleans Aviation Board
(Mailing Address:)
P.O. Box 20007
New Orleans, LA 70141
Fax: (504) 465-1350
Email: kdolliole@flymsy.com

Michele Allen-Hart,
Chief Legal Counsel Deputy Director of Legal Affairs
New Orleans Aviation Board
(Mailing Address:)
900 Airline Drive
Kenner, LA 70062
Fax: (504) 303-7603
Email: Mallen-hart@flymsy.com

(Overnight mail or by hand:)
3rd Floor, Administrative Offices
Louis Armstrong New Orleans International Airport
900 Airline Hwy.
Kenner, LA 70062

If to City: Norman White, Chief Financial Officer
City of New Orleans
Department of Finance
1300 Perdido St. Rm 3E06
New Orleans, LA 70112

If to Trustee: Watson Barger
The Bank of New York Mellon Trust Company, N.A.
301 Main Street, Suite 1510
Baton Rouge, LA 70825
Tel: (225) 379-7354
Fax: (225) 382-8699
Watson.barger@bnymellon.com

If to the Companies: To their respective addresses set forth in the Agreements

If to the Insurer: As provided in Article XII

In case by reason of the suspension of mail service, it shall be impracticable to give notice by mail of any event to the Owners of any CFC Bonds, to the Board, to the Trustee, to the Companies, to any Credit Provider or to any other person to whom such notice is required to be mailed by the provisions of this CFC Master Indenture or any Supplemental Indenture, then any manner of giving such notice as shall be satisfactory to the Trustee shall be deemed to be sufficient giving of notice. A duplicate copy of each notice, certificate, request, or other communication given hereunder to the City, Board, the Companies, the Trustee or any Credit Provider shall also be given to the others. The Companies, the Board, the Trustee and any Credit Provider may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent.

SECTION 1006. Counterparts. This CFC Master Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 1007. Governing Law. The validity, interpretation, and performance of this CFC Master Indenture shall be governed by the laws of the State.

ARTICLE XII. PROVISIONS RELATING TO BOND INSURANCE

The provisions of this Article XII shall govern for so long as any Series 2018 CFC Bonds are outstanding, notwithstanding anything to the contrary set forth in this Indenture.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any Debt Service Reserve Account Surety Policy provided in lieu of a cash deposit into the Debt Service Reserve Account established for the Series 2018 CFC Bonds. Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the Debt Service Reserve Account established for the Series 2018 CFC Bonds shall be applied solely to the

payment of debt service due on the Series 2018 CFC Bonds.

(b) The Insurer shall be deemed to be the sole Owner of the Series 2018 CFC Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Series 2018 CFC Bonds are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In furtherance thereof and as a term of the Indenture and each Insured 2018 CFC Bond, each Owner of the Series 2018 CFC Bonds appoints the Insurer as its agent and attorney-in-fact with respect to the Series 2018 CFC Bonds and agrees that the Insurer may at any time during the continuation of any proceeding by or against the Board under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an “**Insolvency Proceeding**”) direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a “**Claim**”), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Series 2018 CFC Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Owner of the Series 2018 CFC Bonds with respect to the Series 2018 CFC Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Owner of the Series 2018 CFC Bonds for the Insurer's benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment.

(c) If acceleration is permitted under the Indenture, the maturity of Series 2018 CFC Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Series 2018 CFC Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Board) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Series 2018 CFC Bonds shall be fully discharged.

(d) No grace period for a covenant default shall exceed 30 days or be extended for more than 60 days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(e) The Insurer is a third party beneficiary of the Indenture.

(f) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Series 2018 CFC Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Indenture which permits the purchase of Series 2018 CFC Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Insured 2018 CFC Bond so purchased is not cancelled upon purchase.

(g) Any amendment, supplement, modification to, or waiver of, the Indenture or any other transaction document, including any underlying security agreement (each a “**Related Document**”), that requires the consent of Owners of the Series 2018 CFC Bonds or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer.

(h) The rights granted to the Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners of the Series 2018 CFC Bonds and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners of the Series 2018 CFC Bonds or any other person is required in addition to the consent of the Insurer.

(i) Only (1) cash, (2) non-callable direct obligations of the United States of America (“**Treasuries**”), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated “AAA” and “Aaa” by S&P and Moody's, respectively, or (5) subject to the prior written consent of the Insurer, securities eligible for “AAA” defeasance under then existing criteria of S&P or any combination thereof, shall be used to effect defeasance of the Series 2018 CFC Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Series 2018 CFC Bonds, the Board shall cause to be delivered (i) a report of an independent firm of nationally recognized certified public accountants or such other accountant as shall be acceptable to the Insurer (“**Accountant**”) verifying the sufficiency of the escrow established to pay the Series 2018 CFC Bonds in full on the maturity or redemption date (“**Verification**”), (ii) an escrow deposit agreement (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally recognized bond counsel to the effect that the Series 2018 CFC Bonds are no longer “Outstanding” under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Series 2018 CFC Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Board, Trustee and Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five Business Days prior to the funding of the escrow.

Series 2018 CFC Bonds shall be deemed “Outstanding” under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(j) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Indenture and the Series 2018 CFC Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Board in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to

the Insurer have been paid in full or duly provided for.

(k) The Board covenants and agrees to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Trust Estate under applicable law.

(l) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date (“**Payment Date**”) there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Series 2018 CFC Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the “**Insurer’s Fiscal Agent**”) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Series 2018 CFC Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer’s Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2018 CFC Bonds and the amount required to pay principal of the Series 2018 CFC Bonds, confirmed in writing to the Insurer and the Insurer’s Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Series 2018 CFC Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Series 2018 CFC Bonds registered to the then current Owner of the Series 2018 CFC Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Insured 2018 CFC Bond to the Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee’s failure to so designate any payment or issue any replacement Insured 2018 CFC Bond shall have no effect on the amount of principal or interest payable by the Board on any Insured 2018 CFC Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Insured 2018 CFC Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Series 2018 CFC Bonds referred to herein as the “**Policy Payments Account**” and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Owners of the Series 2018 CFC Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the

Trustee to Owners of the Series 2018 CFC Bonds in the same manner as principal and interest payments are to be made with respect to the Series 2018 CFC Bonds under the sections of the CFC Master Indenture regarding payment of Series 2018 CFC Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the CFC Master Indenture to the contrary, the Board agrees to pay to the Insurer (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the “**Insurer Advances**”); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the “**Insurer Reimbursement Amounts**”). “**Late Payment Rate**” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (ii) the then applicable highest rate of interest on the Series 2018 CFC Bonds and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. The Board hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Series 2018 CFC Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Policy Payments Account following a Payment Date shall promptly be remitted to the Insurer.

(m) The Insurer shall, to the extent it makes any payment of principal of or interest on the Series 2018 CFC Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Board to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(n) The Board shall pay or reimburse the Insurer, solely from the Trust Estate, any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document.

(o) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Board or rebate only after the payment of past due and current debt service on the CFC Bonds and amounts required to

restore the Debt Service Reserve Accounts to the respective Debt Service Reserve Requirements.

(p) The Insurer shall be entitled to pay principal or interest on the Series 2018 CFC Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Board (as such terms are defined in the Insurance Policy) and any amounts due on the Series 2018 CFC Bonds as a result of acceleration of the maturity thereof in accordance with the Indenture, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(q) The notice address of the Insurer is: Assured Guaranty Municipal Corp., 1633 Broadway, New York, New York 10019, Attention: Managing Director- Surveillance, Re: Policy No. 219073-N, Telephone: (212) 974-0100; Telecopier: (212) 339-3556. In each case in which notice or other communication refers to an Event of Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(r) The Insurer shall be provided with the following information by the Board or the Trustee, as the case may be:

(i) To the extent not filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, annual audited financial statements within 210 days after the end of the Board's fiscal year (together with a certification of the Board that it is not aware of any default or Event of Default under the Indenture), and, upon request, the Board's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Insurer shall reasonably request from time to time;

(ii) Notice of any draw upon any Debt Service Reserve Account within two Business Days after knowledge thereof other than (i) withdrawals of amounts in excess of the applicable Debt Service Reserve Requirement and (ii) withdrawals in connection with a refunding of CFC Bonds;

(iii) Notice of any default known to the Trustee or the Board within five Business Days after knowledge thereof;

(iv) Prior notice of the advance refunding or redemption of any of the Series 2018 CFC Bonds, including the principal amount, maturities and CUSIP numbers thereof;

(v) Notice of the resignation or removal of the Trustee and Bond Registrar and the appointment of, and acceptance of duties by, any successor thereto;

(vi) Notice of the commencement of any Insolvency Proceeding;

(vii) Notice of the making of any claim in connection with any Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment of principal of, or interest on, the Series 2018 CFC Bonds;

(viii) A full original transcript of all proceedings relating to the execution of any amendment, supplement, or waiver to the Related Documents; and

(ix) All reports, notices and correspondence to be delivered to Bondholders under the terms of the Related Documents.

(s) The Insurer shall have the right to receive such additional information as it may reasonably request.

(t) The Board will permit the Insurer to discuss the affairs, finances and accounts of the Board or any information the Insurer may reasonably request regarding the security for the Series 2018 CFC Bonds with appropriate officers of the Board and will use commercially reasonable efforts to enable the Insurer to have access to the facilities, books and records of the Board on any Business Day upon reasonable prior notice.

(u) The Trustee shall notify the Insurer of any known failure of the Board to provide notices, certificates and other information under the Related Documents.

(v) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Debt Service Reserve Accounts are fully funded at the respective Debt Service Reserve Requirements (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(w) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Series 2018 CFC Bonds or the rights of the Insured 2018 CFC Bondholders, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy.

(x) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Series 2018 CFC Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

(y) The Board shall not enter into an interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from the Trust Estate without the prior written consent of the Insurer.

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IN WITNESS WHEREOF, NOAB has caused this CFC Master Indenture to be signed in its name and behalf and attested by its duly authorized officers, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by its duly authorized officer, all as of the day and year first above written.

NEW ORLEANS AVIATION BOARD,
as Conduit Issuer

By: _____
Cheryl Teamer, Chairwoman

By: _____
Kevin Dolliole, Director of Aviation

COUNTERSIGNED

CITY OF NEW ORLEANS

By: _____
LaToya Cantrell, Mayor

ATTEST:

By: _____
Norman White, Chief Financial Officer
and Director of Finance

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By: _____
Watson T. Barger, Vice President

EXHIBIT A
FORM OF CFC BONDS

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation (“DTC”) to the Board or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

As provided in the Indenture referenced to herein, until the termination of the system of book-entry-only transfers through The Depository Trust Company, New York, New York (together with any successor security depository appointed pursuant to the Indenture), and notwithstanding any other provision of the Indenture to the contrary, this Bond may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

No. R-_____ \$_____

UNITED STATES OF AMERICA
STATE OF LOUISIANA

NEW ORLEANS AVIATION BOARD
GULF OPPORTUNITY ZONE CFC REVENUE REFUNDING BONDS
(CONSOLIDATED RENTAL CAR PROJECT)
SERIES 2018 (NON-AMT)

BOND DATE	MATURITY DATE	INTEREST RATE	CUSIP NO.
October 30, 2018	_____	_____%	_____

REGISTERED OWNER: CEDE & CO.
(Taxpayer Identification No. 19-2555119)

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

The New Orleans Aviation Board (“Board”), an agency and public entity of the City of New Orleans, Louisiana (the “City”), for value received, hereby promises to pay, but solely from the hereinafter described sources, to the Registered Owner named above or registered assigns the Principal Amount set forth above, on the Maturity Date set forth above, with interest thereon from

the Dated Date set forth above, at the Interest Rate set forth above, on each January 1 and July 1 (each an “**Interest Payment Date**”), commencing January 1, 2019. This Bond is subject to redemption as hereinafter provided upon presentation and surrender thereof at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., having a principal corporate trust office in Baton Rouge, Louisiana, as trustee, or its successor (“**Trustee**”) under the Restated Customer Facility Charge Master Revenue Bond Trust Indenture dated October 1, 2018 by and among the Board, the City, and the Trustee.

All capitalized terms used herein and not otherwise defined shall have the definition ascribed to them in the Indenture.

This Bond is one of an authorized issue of \$82,565,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Refunding Bonds (Consolidated Rental Car Project) Series 2018.

This Bond bears interest at the Interest Rate set forth above as described above calculated on the basis of twelve 30-day months and a 360-day year.

The Bonds shall be dated the date of their original issuance and delivery and shall bear interest from their dated date or from the Interest Payment Date next preceding the date of registration thereof unless it is registered as of a day during the period from the Record Date immediately preceding an Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall be the date such Bond is registered. The interest due on any Bond on any Interest Payment Date shall be paid by check or draft mailed to the holder of such Bond as shown on the registration books kept by the Registrar and Paying Agent as of the close of business on the Regular Record Date, except that, at any time, at the written request of any holder of Bonds in an aggregate principal amount of at least \$1,000,000, any payment of interest on the Bonds owned by such Bondholder may be transmitted by wire transfer to such Bondholder to the bank account number on file with the Trustee as Registrar and Paying Agent. If any payment of the principal or Redemption Price of, or interest on, the Bonds is due on any Interest Payment Date that is not a Business Day, such payment will be made on the immediately succeeding Business Day, and no interest will accrue on the amount of such payment during the intervening period. Any interest on this Bond which is payable, but is not punctually paid or provided for, on any Interest Payment Date (herein called “**Defaulted Interest**”) shall forthwith cease to be payable to the Bondholders shown on the registration books as of the Regular Record Date and such Defaulted Interest shall be paid, pursuant to the Indenture, to the Bondholders shown on the registration books at the close of business on a “special record date” (which shall be a Business Day) to be fixed by the Registrar and Paying Agent for determining the Bondholders entitled to such payments as provided in the Indenture.

The principal or Redemption Price of each Bond shall be payable in such coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts of the United States of America upon surrender thereof at the principal corporate trust office of the Registrar and Paying Agent. Such payments shall be made to the holder of the Bond so surrendered, as shown on the registration books of the Registrar and Paying Agent on the day of payment.

THE BONDS ARE LIMITED AND SPECIAL OBLIGATIONS OF THE ISSUER AND ARE SECURED BY AND PAYABLE SOLELY FROM THE TRUST ESTATE AND SHALL NOT CONSTITUTE OR CREATE AN OBLIGATION, GENERAL OR SPECIAL, DEBT, LIABILITY OR MORAL OBLIGATION OF THE CITY WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY PROVISIONS WHATSOEVER. NEITHER THE FAITH OR CREDIT NOR THE TAXING POWER OF THE CITY IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, REDEMPTION PRICE, OR THE INTEREST ON THE BONDS. THE BONDS ARE NOT A GENERAL OBLIGATION OF THE ISSUER (WHICH HAS NO TAXING POWER).

No recourse shall be had for the payment of principal of or interest or premium, if any, on the Bonds or for any claim based thereon or upon any indenture, against any past, present or future official, officer or employee of the Board or any successor entity, as such, either directly or through the Board, or any successor entity, under any rule or law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise; and all such liability of any such official, officer or employee, as such, is hereby expressly waived and released as a condition of and in consideration for the issuance of this Bond.

The Bonds shall be issued as fully registered bonds in \$5,000 denominations or any integral multiple thereof (the “**Authorized Denomination**”). Reference to the Indenture and any and all supplements thereto and modifications and amendments thereof is made for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the Bonds with respect thereto and the terms and conditions upon which the Bonds have been issued and may be issued thereunder. The registered owner of this Bond shall have no right to enforce the provisions of the Indenture, to institute action to enforce the provisions of the Indenture or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the Indenture.

This Bond is transferable by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Trustee but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount, will be issued to the transferee in exchange therefor.

The Board and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the Board nor the Trustee shall be affected by any notice to the contrary.

REDEMPTION OF THE BONDS

Optional Redemption: The Bonds maturing on and after January 1, 2029 are subject to redemption prior to maturity on or after January 1, 2028 as a whole or in part on any date. The maturity of said Bonds to be redeemed are to be designated by the Aviation Board and selected within a maturity by the Trustee in such manner as the Trustee may determine, at the redemption price of 100% of the principal amount hereof, plus accrued interest to the redemption date.

Extraordinary Optional Redemption: The Bonds are subject to redemption in whole or in part, on any date, to the extent of insurance proceeds, condemnation awards, proceeds of conveyances in lieu of condemnation, and proceeds from disposition of property (or other similar amounts) received in respect of all or any portion of Consolidated Facility deposited in the Insurance and Condemnation Proceeds Fund and available for such purpose at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date.

Redemption Denominations

Any Bonds to be redeemed in part shall be redeemed in any integral multiple of \$5,000. In the event any redemption would otherwise be in an amount that is not an integral multiple of \$5,000, the principal amount of Bonds to be redeemed shall be decreased to the next lower multiple of \$5,000.

Selection of Bonds

If fewer than all of the Bonds of any series shall be called for redemption, the Bonds to be redeemed shall be selected by the Issuer, and, if fewer than all Bonds of any one maturity shall be called for redemption, the particular Bonds to be redeemed shall be selected by the Trustee in such manner as it shall deem fair and reasonable.

Notice of Redemption

At least thirty (30) days and not more than sixty (60) days before the redemption date of any Bonds redeemed other than by mandatory sinking fund redemption, the Trustee shall cause a notice of any such redemption, to be mailed to all Bondholders of record owning Bonds to be redeemed in whole or in part, at their addresses as they appear on the Bond Register, but any defect in such mailing of any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds then outstanding shall be called for redemption, the numbers of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in principal amount equal to the unredeemed portion of such Bond will be issued.

Effect of Redemption

On the date so designated for redemption, notice having been given in the manner and under the conditions hereinabove provided and money for payment of the redemption price being held in the Debt Service Fund in trust for the owners of the Bonds or portions thereof to be redeemed, the Bonds or portions thereof so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions thereof on such date, interest on the Bonds or portions thereof so called for redemption shall cease to accrue, such Bonds or portions thereof shall cease to be entitled to any benefit or security under the Indenture, and the owners of such Bonds or portions thereof shall not have rights in respect thereof except to receive payment of the redemption price thereof and, to the extent provided in the next paragraph, to receive Bonds for any unredeemed portions of Bonds.

In case part, but not all, of an outstanding Bond shall be selected for redemption, the registered owner thereof or his legal representative shall present and surrender such Bond to the Trustee for payment of the principal amount thereof so called for redemption, and the Trustee shall authenticate and deliver to or upon the order of such registered owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered, a new Bond.

Bonds and portions thereof which have been duly called for redemption under the provisions of the Indenture, or with respect to which irrevocable instructions to call for redemption have been given to the Trustee in form satisfactory to it, and for the payment of the redemption price for which moneys, or Defeasance Obligations, shall be held by the Trustee in a segregated account in trust for the owners of the Bonds or portions thereof to be redeemed, shall not thereafter be deemed to be outstanding under the provisions of the Indenture and shall cease to be entitled to any security or benefit under the Indenture other than the right to receive payment from such moneys.

IN WITNESS WHEREOF, the New Orleans Aviation Board has caused the Bond to be executed in its name by its Executive Director and its Secretary by the manual or facsimile signature, and the seal of the Board to be affixed or placed by facsimile hereto, all as of the Dated Date set forth above.

NEW ORLEANS AVIATION BOARD

By: _____
Cheryl Teamer, Chairwoman

ATTEST:

By: _____
Kevin Dolliole, Director of Aviation

COUNTERSIGNED

CITY OF NEW ORLEANS

By: _____
LaToya Cantrell, Mayor

ATTEST:

By: _____
Norman White, Chief Financial Officer
and Director of Finance

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds referred to in the within-mentioned Indenture.

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.**

By: _____
Watson T. Barger, Vice President

* * * * *

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (“**AGM**”), New York, New York, has delivered its municipal bond insurance policy (“**Policy**”) with respect to the scheduled payments due of principal of and interest on this Bond to The Bank of New York Mellon Trust Company, N.A., Baton Rouge, Louisiana, or its successor, as paying agent for the Bonds (“**Paying Agent**”). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

* * * * *

LEGAL OPINION CERTIFICATION

I, the undersigned Chairwoman of the New Orleans Aviation Board, do hereby certify that there follows a true copy of the complete legal opinion of Foley & Judell, L.L.P. and Auzenne & Associates, L.L.C., co-bond counsel, the original of which was manually executed, dated and issued as of the date of payment for and delivery of this Bond and was delivered to Citigroup Global Markets Inc., representing the purchasers of the Bonds.

October 30, 2018

New Orleans Aviation Board
New Orleans, Louisiana

\$82,565,000
New Orleans Aviation Board
Gulf Opportunity Zone CFC Revenue Refunding Bonds
(Consolidated Rental Car Project)
Series 2018 (Non-AMT)

We have acted as Co-Bond Counsel in connection with the issuance by the New Orleans Aviation Board (“**Issuer**”), an unattached board of the City of New Orleans, Louisiana (“**City**”), of the captioned bonds consisting of \$82,565,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Refunding Bonds (Consolidated Rental Car Project) Series 2018 (Non-AMT) (“**Bonds**”).

The Bonds are being issued under the authority of Part XIX of Chapter 4 of Subtitle II of Title 30 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39: 1034(D) and (F)), together with other constitutional and statutory authority supplemental thereto, including without

limitation La. R.S. 39:1421 through 1430 inclusive and the provisions of Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456 inclusive) of the Louisiana Revised Statutes of 1950, as amended (collectively, the “**Act**”), under and pursuant to resolutions adopted by the Issuer on March 15, 2018, April 19, 2018, and July 19, 2018, and by Resolution R-18-118 adopted by the Council of the City of New Orleans (“**City**”) on February 9, 2018, and pursuant to the provision of that certain Restated Customer Facility Charge Master Revenue Bond Trust Indenture by and among the Issuer, the City, and The Bank of New York Mellon Trust Company, N.A. (“**Trustee**”), dated as of October 1, 2018 (“**Indenture**”).

Capitalized terms used herein and not defined herein shall have the meaning set forth in the Indenture.

The Bonds are being issued to refund New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project) Series 2009A (Non-AMT) (“**Series 2009A CFC Bonds**”). The Series 2009A CFC Bonds were issued to finance (i) a multi-story building providing space for rental car customer facilities and offices, the storage, leasing, and return of rental cars (“**CONRAC**”) and (ii) storage, cleaning repair, and maintenance facilities (the “**Service Centers**”, together with the CONRAC the “**Consolidated Facility**”) to be leased by the Board to rental car operators desiring to rent cars at the Airport pursuant to one or more Facilities Lease(s) a CONRAC and Service Centers (as herein defined) for use and occupancy by the Companies pursuant to a lease (“**Facilities Lease**”) of the Consolidated Facility to the Companies.

The Series 2009A CFC Bonds were issued as qualified Gulf Opportunity Zone Bonds under the Gulf Opportunity Zone Act of 2005 (Public Law 109-135) (“**GO Zone Act**”) and may now be currently refunded only in accordance with IRS Notice 2012-3.

We have examined (i) the Constitution and Statutes of the State, including the Act, (ii) IRS Notice 2012-3, (iii) the Series 2018 CFC Bond Authorizing Resolution, (iv) executed counterparts of the Indenture, and (v) such other documents, instruments, proceedings and matters of law as we have considered necessary or appropriate for purposes of this opinion.

On the basis of the foregoing examinations, we are of the opinion as of the date hereof and under existing law that:

1. The Issuer is an unattached board of the City pursuant to the City’s Home Rule Charter with full power and authority under the Act to issue the Bonds and to perform all of its obligations under the Indenture.
2. The Indenture (i) has been duly authorized, executed and delivered by the Issuer and the City, (ii) constitutes a legal, valid and binding obligation of the City and the Issuer and (iii) creates a legal, valid and binding pledge of the Trust Estate as described in the Indenture.
3. The Bonds have been duly authorized, executed and delivered and constitute binding limited and special obligations of the Issuer, payable solely from and

secured by the Trust Estate. Neither the City’s general credit nor taxing power is pledged as security for the payment of the Bonds. The Issuer has no taxing power.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (“**Code**”), except that no opinion is expressed as to the status of interest on any Bond for any period that a Bond is held by a “substantial user” of the facilities financed by such Bonds or by a “related person” within the meaning of Section 147(a) of the Code. Interest on the Bonds is not a specific preference item or included in a corporation’s adjusted current earnings for purposes of the federal alternative minimum tax.
5. Under the Act, interest on the Bonds is exempt from all taxation for state, parish, municipal or other local purposes in the State of Louisiana.

The Code and the regulations applicable thereunder contain certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest on the Bonds to be and remain excluded from gross income of the owners of such Bonds for federal income tax purposes. The Issuer has covenanted in the Indenture and other documents to institute programs and procedures for the purpose of satisfying the applicable requirements of the Code and applicable Regulations.

In rendering the opinions expressed in item 4 above, we have relied on representations of the Issuer with respect to matters solely within the knowledge of the Issuer and have assumed continuing compliance by the Issuer with the covenants in the Indenture and other documents pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The foregoing is qualified to the extent that the rights of the owners of the Bonds and the enforceability of the Series 2018 CFC Bond Authorizing Resolution, the Bonds and the Indenture, as the case may be, may be subject to bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of the sovereign police powers of the State of Louisiana or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

Except as stated above, we express no opinion as to any federal or state tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds and our services as Co-Bond Counsel have not extended beyond the examinations and expressions of conclusions referred to above.

Respectfully submitted,

I further certify that an executed copy of the legal opinion is on file in my office and that an executed copy thereof has been furnished to the Trustee for this Bond.

By: _____
Cheryl Teamer, Chairwoman

ASSIGNMENT FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

Please Insert Social Security
or other Identifying Number of Assignee

The within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney or agent to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.
* * * * *

B-47

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APPENDIX C
FORMS OF CONCESSION AGREEMENT AND FACILITIES LEASE

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New Orleans Aviation Board Car Rental Concession Agreement

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Article XI	Cancellation by BOARD
Article XII	Damage or Destruction of Assigned Areas
Article XIII	General Provisions
Article XIV	Entire Agreement
Exhibit A	Terminal Counter/Office Location

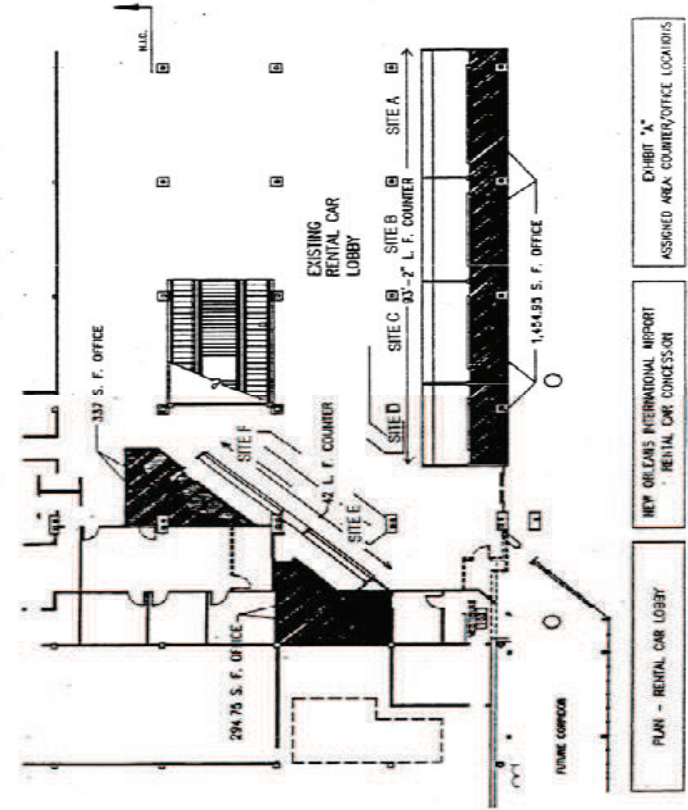
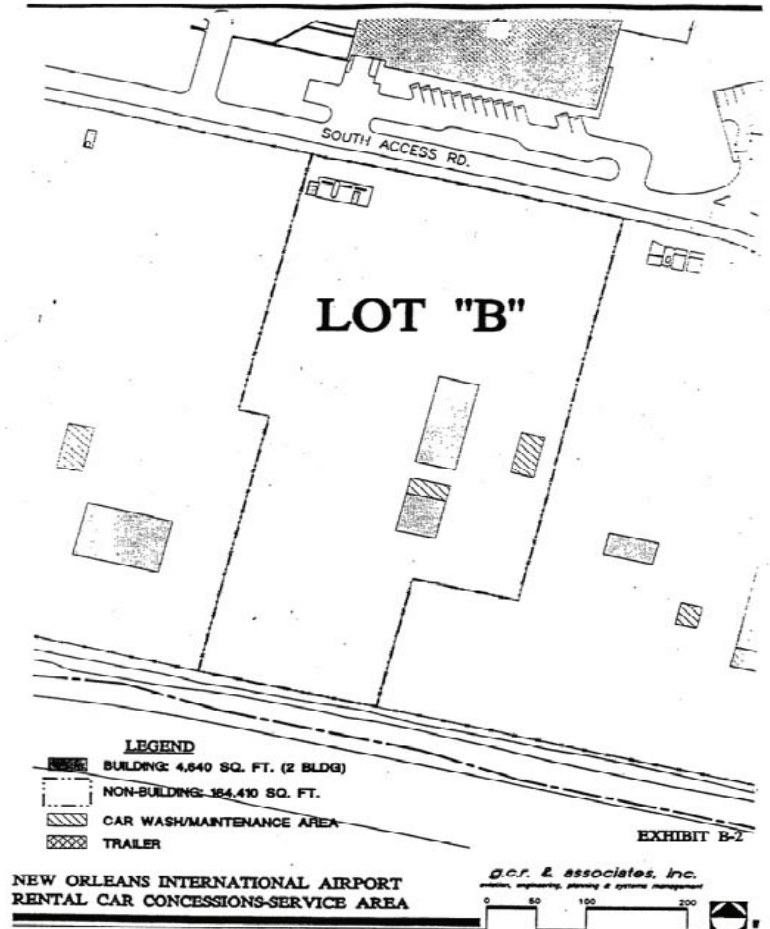
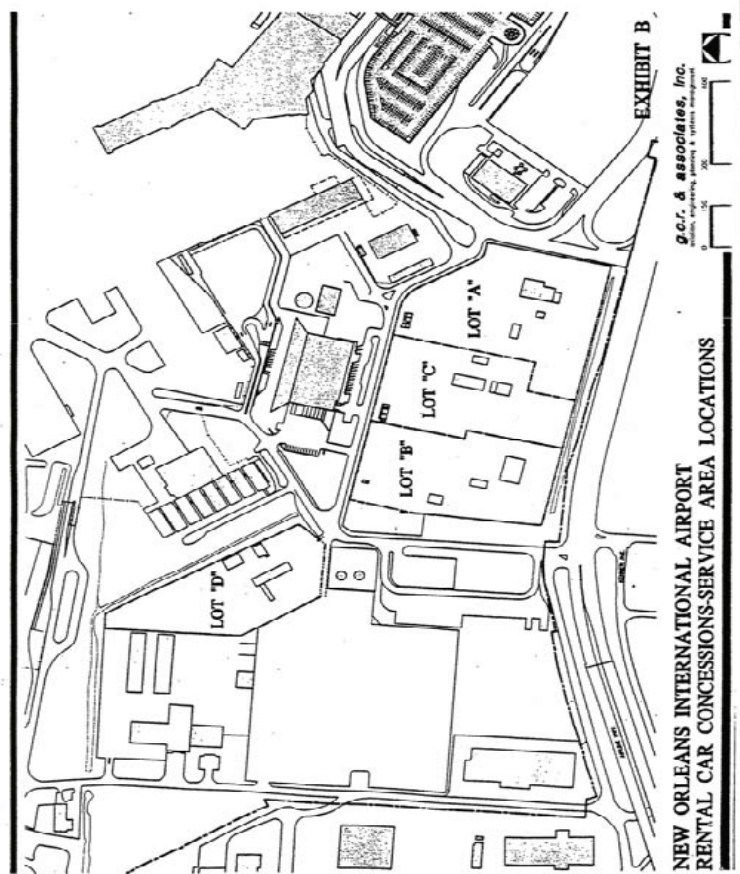


Exhibit B Service Area LocationS



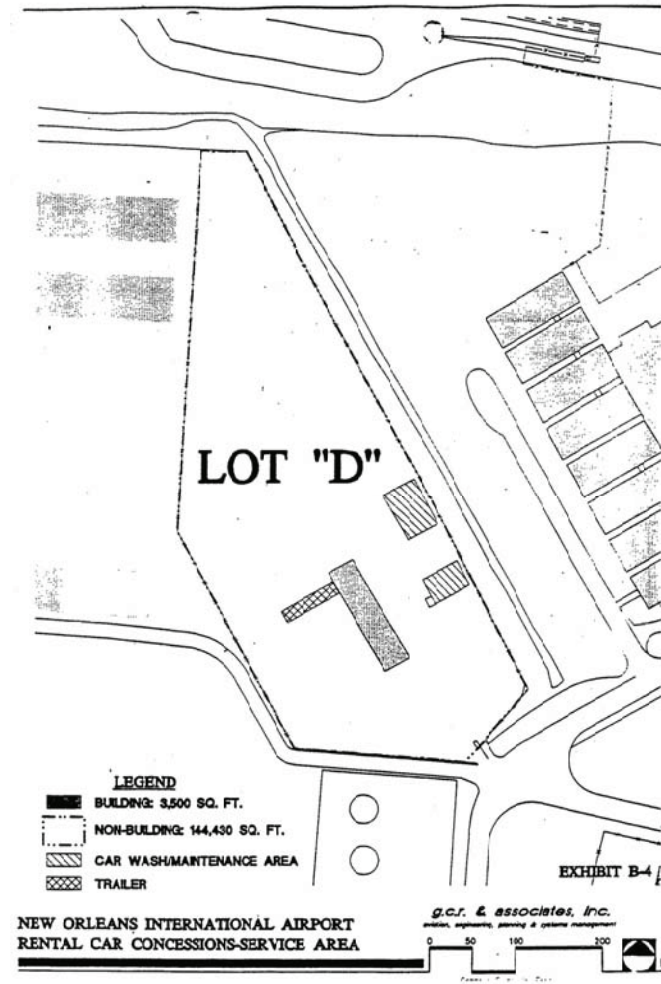
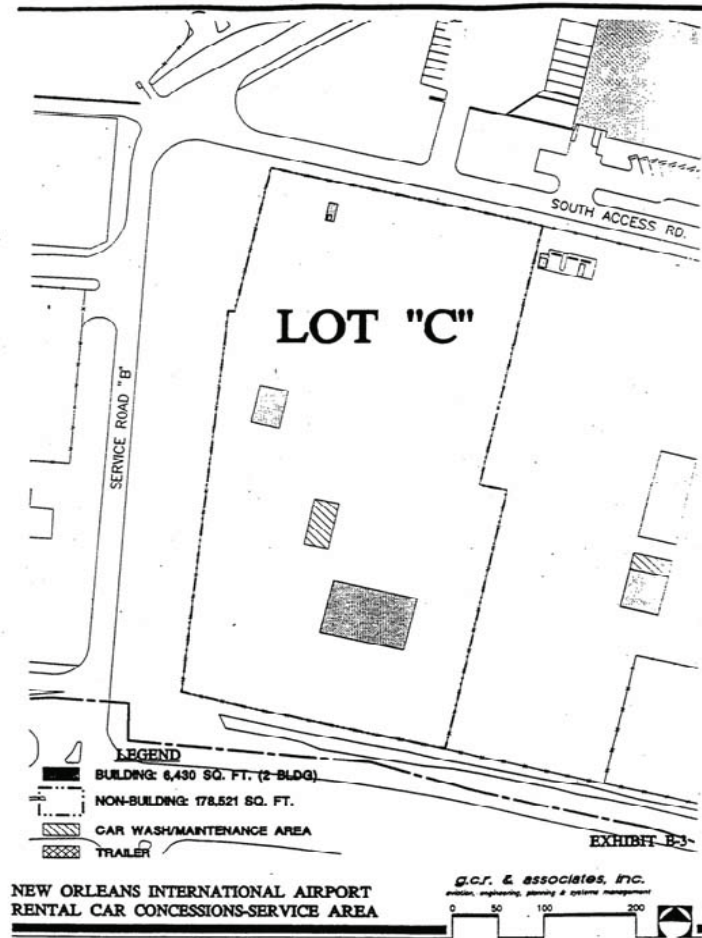
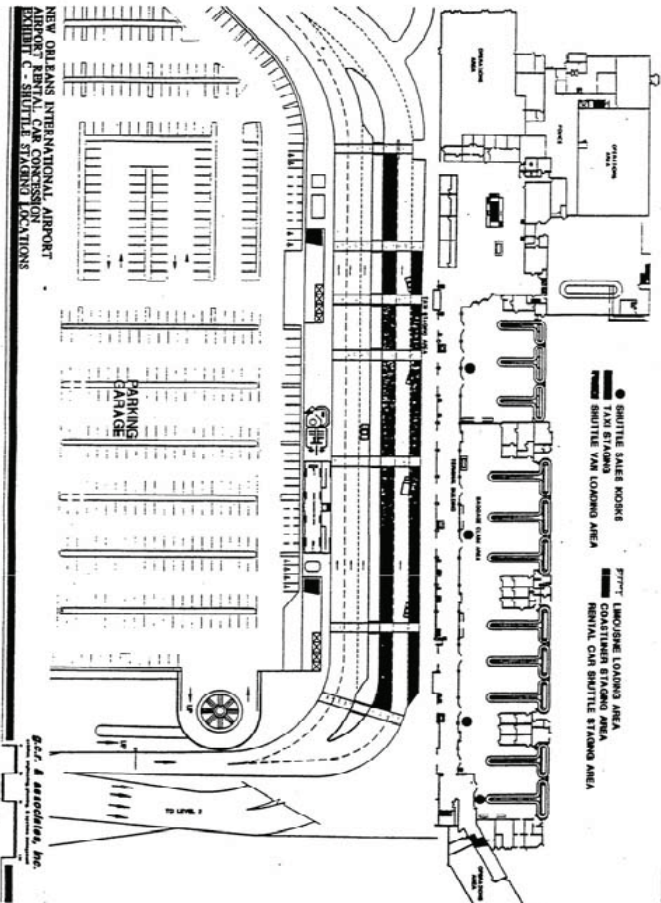


Exhibit C Shuttle Staging location



New Orleans International Airport

Disadvantaged Business Enterprise (DBE)

Plan for Concessions

Section One - Overview

In determining whether affiliation exists, consideration will be given to all appropriate factors, including common ownership, common management, and contractual relationships.

A. INTRODUCTION

The City of New Orleans is the owner of the New Orleans International Airport (NOIA), and operates it under the auspices of the New Orleans Aviation Board. As a recipient of grants for airport development, the NOAB has developed this Disadvantaged Business Enterprise (DBE) Plan for use with concessions at NOIA. This complies with regulations promulgated by the U.S. Department of Transportation, 49 CFR part 23, Subpart F, and is a condition of the grant agreement authorized under the Airport Improvement Program (AIP) of the Federal Aviation Administration.

The overall DBE goal in this Plan is calculated as a percentage of the estimated gross receipts from all concessions, and has been set at thirty-five percent for the first year. This Plan will be updated annually.

B. DEFINITIONS

1. Affiliates

Concerns are affiliated with each other, either directly or indirectly, when:

- One concern controls or has the power to control the other, or
- A third party or parties control or has the power to control both, or
- An "identity of interest between or among parties exists such that affiliation may be found.

2. Concession

A for-profit business enterprise, located at the airport, that is engaged in the sale of consumer products or services to the public under an agreement with NOAB, another concessionaire, or the owner of a terminal, if other than NOAB. Businesses which conduct an aeronautical activity are not considered concessionaires. Aeronautical activities include scheduled and non-scheduled air carriers, air taxis, air charters and air couriers, in their normal passenger or freight conveying capacities, fixed base operators, flight schools, and sky-diving, parachute jumping, flying guide services and helicopter or air tours. A concession may be operated under various types of agreements, including, 1) lease, 2) franchise, 3) permit, 4) contract or 5) another instrument or arrangement.

3. Concessionaire

An individual, partnership or corporation that operates a concession.

4. Disadvantaged Business Enterprise (DBE)

A small business concern:

- which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned and controlled by one or more socially and economically disadvantaged individuals; and
- whose management and

Exhibit D ACDBE PLAN

daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

5. Material Amendment

A substantial change to the basic rights or obligations of the parties to a concession agreement. Examples of material amendments include an extension of the term not provided for in the original agreement, or a substantial increase in the scope of the concession privilege. Examples of nonmaterial amendments include a change in the name of the concessionaire or a change in the due date of payments.

6. Small Business Concern

A firm, including all its domestic and foreign affiliates, that meet the applicable size standard set forth in 49 CFR part 23 Subpart F, Appendix A. In making a size determination, all affiliates, regardless of whether organized for profit, must be included.

In the event that a firm qualifies under the above definition (after August 31, 1993) and subsequently exceeds the size standard after entering a concession agreement, it may continue to count as a DBE concessionaire until the current agreement, including the exercise of options, expires, provided that the firm otherwise remains eligible as a DBE. Any adjustments that the DOT makes to the size standards in Subpart F to account for inflation will automatically be incorporated into this plan.

A firm that was certified as a minority/woman/disadvantaged business enterprise (M/WBE/DBE) prior to August 31, 1993, pursuant to a requirement in 49 CFR Part 23.43(e), or to FAA guidelines implementing Section 511(a)(17) of the Airport and Airway Improvement Act of 1982, as amended, that has exceeded the size standard, may be counted as DBE participation until the current agreement, including the exercise of options, expires, provided that the firm remains otherwise eligible to be certified as a DBE.

7. Socially and Economically Disadvantaged Individual

Any person having a current Section 8(a) certification from the Small Business Administration is considered to be socially and economically disadvantaged. However, NOIA will require substantiating documentation of such certification in advance of accepting certification. NOIA further makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are socially and economically disadvantaged:

- a) Women;

- b) Black Americans, which includes person having origins in any of the Black racial groups of Africa;

- c) Hispanic Americans, which includes persons of Mexican, Puerto Rican, Cuban, Central, or South American, or other Spanish or Portuguese culture or origin, regardless of race;

- d) Native Americans, which includes persons who are American Indians, Eskimos, Aleuts, or Native Hawaiians;

- e) Asian-Pacific Americans, which includes persons whose origins are from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, or the Commonwealth of the Northern Mariana Islands; and

- f) Asian-Indian Americans, which includes persons whose origins are from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal.

- g) Members of other groups found to be disadvantaged by the SBA under Section 8(a) of the Small Business Act.

NOIA generally assumes that business owners who fall into one of these groups are socially and economically disadvantaged. Their disadvantaged status generally will not be investigated, unless a third-party challenge is made.

NOIA may determine, on a case-by-case basis, that other individuals are socially and economically disadvantaged. If an individual requests that his or her firm be certified as a DBE, NOIA, as part of the certification process, will determine whether that individual is socially and economically disadvantaged under the criteria in 49 CFR Part 23, Subpart D Appendix C. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

Section Two Program Outline

A. CERTIFICATION PROCEDURES

1. Certification Procedures

NOAB will count only firms that have been certified in accordance with this plan toward meeting the overall annual goals. Each business, including the DBE partner in a joint venture who wishes to participate as a DBE in a concession at NOIA must complete and submit Schedule A. Each business wishing to participate as a joint venture must additionally complete Schedule C. The schedule(s) must be signed by an authorized representative of the business and then duly notarized.

NOAB will not levy any fee in connection with an application for certification. However, it may require potential DBE firms to pay a fee for a business license required under state or local authority, provided that all firms, both DBE and non-DBE, are subject to this requirement.

A firm seeking to be certified as a DBE is not required to submit Schedule A or B if any of the following applies:

- a) The potential DBE firm has been determined by the Small Business Administration to be owned and controlled by socially and economically disadvantaged individuals under Section 8(a) of the Small Business Act. However, a Section 8(a) firm is required to submit information that will enable NOAB to determine whether it meets the applicable size standard.

- b) The potential DBE has been certified under a different certification process approved by the DOT. In these instances, the firm must submit the information required by that process.

NOAB will take at least the following steps in determining whether a firm is an eligible DBE:

- a) Obtain the resumes or work histories of the principal owners of the firm and personally interview these individuals.
- b) Analyze the ownership of stock in the firm, if it is a corporation.
- c) Determine the work history of the

firm, including any concession contracts it may have received.

- d) Obtain or compile a list of the licenses of the firm and its key personnel to perform the concession contracts it wishes to receive.

- e) Obtain a statement from the firm on the type of concession it prefers to operate.

2. On-site certification visits

Prior to making a certification determination, NOAB may perform an on-site visit to the offices of the firm and to any of its facilities that may be necessary to validate the certification information obtained from the firm. On-site visits are not mandatory but will be conducted when needed to validate the information supplied by the applicant.

3. Precertification

Subject to the conditions listed below, NOAB may implement a precertification process. Under these procedures, a firm applying for certification may be required to submit its Schedule A and/or Schedule B prior to when it is named as a potential DBE participant in a proposal or bid. This procedure will allow NOAB to develop a listing or "pool" of certified DBE's, from which proposers or bidders may be required to select in an effort to meet specific concession goals. Prior to employing precertification, NOAB will obtain written approval from the responsible FAA region and will fulfill the following conditions.

- a) NOAB will give potential DBE firms notice of the precertification procedures sufficiently in advance of awarding the concession agreement to allow for an eligibility determination. Such notices or advertisements will be provided in the geographical area in which NOAB seeks DBE firms.

- b) Notification or precertification procedures will be included in the following mechanisms, as applicable:

In notices announcing concession opportunities and in other outreach materials and presentations made by NOAB as part of its DBE concession plan.

At pre-solicitation meetings for concession contracts and in the solicitation documents.

In annual announcements specially for the purpose of advising DBE's of the precertification requirement.

4. Certification standards

NOAB will use the following standards to determine whether a firm is owned and controlled by socially and economically disadvantaged individuals.

a) Bona fide membership in a group of socially and economically disadvantaged individuals must be established on the basis of the applicant's claim that he or she is a member of such group and is so regarded by the particular disadvantaged community. However, NOAB is not required to accept the claim if it is determined to be invalid.

Proof of ancestry alone is not conclusive evidence of membership in a group of socially and economically disadvantaged individuals. The fact that a person's grandfather or other relative belonged to none of these groups does not necessarily qualify the applicant as a member for purposes of DBE certification. If the individual has not held himself or herself out to be a member of the community of disadvantaged individuals, and has not been identified by persons in the population at large as a member of the group, the individual should not be considered as belonging to that disadvantaged group for purposes of DBE certification.

b) An eligible DBE must be an independent business. The ownership and control by disadvantaged persons must be real, substantial, and continuing and must go beyond the *pro forma* ownership of the firm as reflected in its ownership documents. The disadvantaged owners must share in the risks and profits commensurate with their ownership interest, as demonstrated by an examination of the substance rather than form of arrangements. Recognition of the business as a separate entity for tax or corporate purposes is not necessarily sufficient for recognition as a DBE. In determining whether a potential DBE is an independent business, NOAB will consider all relevant facts, including the date the business was established, the adequacy of its resources for the work of the contract, and the degree to which financial, equipment leasing, and other relationships with non-DBE firms vary from industry practice.

c) The disadvantaged owners must also possess the power to direct or cause the direction of the management and day-to-day, as well as major decisions on matters of management, policy, and operations. The firm must not be subject to any formal or informal restrictions which limit the customary discretion of the disadvantaged owners. There must not be restrictions through, for example, bylaw provisions, partnership agreements, or charter requirements for cumulative voting rights that prevent the disadvantaged owners, without the cooperation or vote of any owner who is not socially and economically disadvantaged, from making a business decision of the firm.

d) If the owners of the firm who are not socially and economically disadvantaged are disproportionately responsible for the operation of the firm, then the firm is not controlled by socially and economically disadvantaged individuals and is not eligible for certification. Where the actual management of the firm is contracted out to individuals other than the owner, the persons having the ultimate power to hire and fire the managers are considered as controlling the business.

e) All securities which constitute ownership and/or control of a corporation for the purpose of establishing it as a DBE must be held directly by socially and economically disadvantaged individuals. No securities held in trust, or by any guardian for a minor, shall be considered as held by socially and economically disadvantaged individuals in determining the ownership or control of a corporation.

f) The contributions of capital or expertise by the socially and economically disadvantaged individuals to acquire their interests in the firm shall be real and substantial. Examples of insufficient contributions include a promise to contribute capital, a note payable to the firm or its owners who are not socially and economically disadvantaged, or the mere participation as an employee, rather than as manager.

g) In addition to the above standards, special consideration will be given to the following circumstances:

Newly formed firms and firms whose ownership and/or control has changed since the date of the advertisement of the concession will be closely scrutinized to determine the reasons for the timing of the formation or change in the firm.

A previous and/or continuing employer-employee relationship between or among present owners is carefully reviewed to ensure that the employee-owner has management responsibilities and capabilities.

Any relationship between a DBE and a non-DBE which has an interest in the DBE will be carefully reviewed to determine if the interest of the non-DBE conflicts with the requirements for ownership and control.

h) A joint venture will be certified if the DBE partner of the joint venture meets the eligibility

standards, is responsible for a clearly defined portion of the work to be performed, and shares in the ownership, control, management responsibilities, risks, and profits of the joint venture.

i) A joint venture is eligible to compete in a DBE set-aside if the DBE partner of the joint venture meets the eligibility standards, the DBE partner's share in the ownership, control, management responsibilities, risk, and profits of the joint venture is at least 51 percent, and the DBE partner is responsible for a clearly defined portion of the work to be performed.

j) A business applying for certification as a DBE or as a joint venture DBE must cooperate with NOAB in supplying any additional information which may be requested in order to make a determination. For example, the applicant may be required to provide income tax statements.

k) The NOAB will safeguard from disclosure to unauthorized persons any information that reasonably may be regarded as confidential business information, consistent with Federal, state, and local laws.

l) Once certified, a DBE will be required to update its submission annually by submitting a new Schedule A or certifying that the Schedule A on file is still accurate. Firms will be notified upon certification that a new Schedule A must be submitted whenever there is a change in the firm's ownership or control. Businesses operating under the following structures may be eligible for certification as a DBE:

Sole proprietorships
Corporations
Partnerships
Other structures that provide for ownership and control by the socially and economically disadvantaged owners

5. Franchise and License Agreements

A business operating under a franchise (or license) agreement may be certified if it meets the standards outlined above and the franchisor is not an affiliate with the franchisee as defined in Section 1(A) above. In determining whether affiliation exists, the restraints relating to standardized quality, advertising, accounting format, and other provisions imposed on a franchisee by its franchise agreement generally will not be considered, provided that the franchisee has the right to profit from its efforts and bears the risk of loss commensurate with ownership. Alternatively, even though a franchisee may not be controlled by the franchisor by virtue of such provisions in the franchise agreement, control, and therefore affiliation, could arise through other means, such as common management or

excessive restrictions upon the sale of the franchise interest.

6. Arrangements not eligible for certification
Businesses operating under the following arrangements are not eligible for certification as a DBE:

a) Limited partnerships, in which a non-DBE is the general partner.

b) Other arrangements that do not provide for ownership and control by the socially and economically disadvantaged owners.

B. APPEAL AND CHALLENGE PROCEDURES

1. Challenge to Status

Any third party may present written evidence to NOAB challenging whether a firm's owners who are presumed to be socially and economically disadvantaged are truly disadvantaged. If a challenge is made to the owners of an 8(a) firm, NOAB will refer the information or question to the SBA for resolution. When NOAB receives a written challenge, a determination of social and economic disadvantage will be made. NOAB itself also may initiate an inquiry.

Whenever a challenge is made, NOAB will observe the procedural guidelines in 49 CFR part 23.69. These procedures are informal in that strict rules of evidence do not apply. In making a determination, NOAB will use Appendix C, 49 CFR part 23. During the pendency of the challenge, the presumption of social and economic disadvantage will continue, and if the firm has been certified, it will continue to be eligible as a DBE.

2. Decertification

Whenever the NOAB believes that a firm with a current certification is no longer eligible to participate in the program, the firm will be afforded due process prior to any revocation of its certification. The steps to be used are as follows:

a) A letter will be sent to the firm, stating that NOAB is contemplating decertification. A brief description of the reasons for the proposed action will be included.

b) The firm will be given an opportunity to respond in person and in writing to present information and arguments. An informal meeting or hearing may be part of the process, but a formal adversary proceeding will not be used.

3. Certification appeals

When NOAB denies certification or

complete decertification, it will advise the firm that an appeal may be filed with the office named below. An appeal must be in writing, dated and signed, and must be filed within 180 days after the action, unless the time frame is extended by DOT.

Departmental Office of Civil Rights (DOCR)
Department of Transportation
400 7th Street, Southwest
Washington, D.C. 20590

The denial of certification by the NOAB shall be final for the particular contract and any other contracts being let at the time of the denial (except when the Department of Transportation reverses the denial, following an appeal). Firms denied certification may correct deficiencies in their ownership and control and resubmit for certification only for future contracts.

4. **Effect of DOCR Decisions**
Decisions rendered by DOCR may be utilized by the NOAB to such extent possible. These decisions apply only to the actions that were contested and does not bind the NOAB to make the same judgment concerning a firm's eligibility. If the NOAB certifies a firm that is adversely affected by a DOCR decision, the NOAB may re-examine its records to determine if the decision raises a certification issue. Since firms sometimes reorganize or otherwise restructure their ownership or control, NOAB will make its own decision based on the record before it.

5. **Re-entry into the DBE program**
A firm's eligibility as a DBE will be based on its size status at the time it seeks to participate as a DBE concessionaire. It is not relevant that a firm's equal average gross receipts, for example, exceeded the specified size limit for three fiscal years other than the most recent previous, fiscal years from the application date.

A firm that has exceeded the size standard at some point in the past and rendered ineligible, may nonetheless be currently eligible if it is within the size standard for the three most recent, previous years. Therefore, a firm may be eligible to "re-enter" NOAB's DBE program even though it may have "graduated" from the 8(a) program.

The regulations of the SBA at 13 CFR 124.108(c) generally do not allow a firm that participated in the SBA's Section 8(a) program to resubmit for participation, once the firm has exited by termination, graduation, voluntary withdrawal, or expiration of its program term (currently set at maximum of 9 years). This program has no such limitation, however.

C. GOOD FAITH EFFORTS

NOAB has implemented processes and procedures to ensure good faith efforts towards the achievement of the overall goals of this concession plan. The efforts include but are not limited to the following:

Identifying and soliciting DBE's who may be interested in participating as concessionaires.

Notifying and soliciting DBE organizations of concession opportunities and encouraging their membership to compete, when appropriate.

Informing all competitors for concession opportunities of all DBE requirements during pre-solicitation meetings.

Providing a listing/directory of all available DBE firms to all competitors to assist them in meeting DBE requirements.

When practical, exploring and structuring contracting activities and methods of award so as to encourage and facilitate DBE participation.

Including DBE requirements in proposal and contractual documents, etc., to ensure compliance.

1. **Obligations of concessionaires and competitors**

When options to renew such agreements are exercised or when a material amendment is to be made, NOAB will assess potential for DBE participation and include any opportunities in the goals.

NOAB may impose requirements on competitors for concession agreements as a means of achieving the overall DBE goals or a portion of the goals, provided that the DBE participation specified in the solicitation or other request is an eligible arrangement.

When a specific DBE contract goal is established, NOAB will include a clause in the solicitation notifying competitors of the DBE requirements. A competitor that fails to achieve the goal will be required to submit documentation substantiating that it made the maximum effort possible in attempting to do so, or that it would not be economically feasible to enter into either a sublease, joint venture, partnership, or other qualifying arrangement.

2. **DBE Clauses for Concession Agreements** The following language will be inserted in all concession agreements executed after August 31, 1993.

"This agreement is subject to the regulations of the U.S. Department of Transportation, 49 CFR Part 23, Subpart F. The concessionaire agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement covered by 49 CFR part 23, Subpart F.

The concessionaire agrees to include the above statements in any subsequent concession agreements that it enters and cause those businesses to similarly include the statements in further agreements."

3. **Prohibition on long-term, exclusive concession agreements** The NOAB will not enter into long-term, exclusive concession agreements with either DBE or non-DBE firms, unless approval is given by the responsible FAA regional civil rights officers.

D. **SET-ASIDES**

NOAB has determined that set-asides are legally permissible and are necessary to meet the overall goals of this plan. Therefore, consideration of selected bids or proposals will be limited to those submitted by DBE for the following concession areas:

1. car rentals
2. gift and news
3. specialty retail

As the opportunities present themselves, staff will move to designate set-asides as a part of the process for DBE involvement in these areas.

Section Three **Annual Goals And Compliance**

A. **CALCULATION OF GOALS**

NOAB has established an overall goal for DBE participation in airport concessions for each twelve month period covered by this plan.

By dividing the estimated gross receipts to be earned by DBEs (dollars) by the estimated gross receipts to be earned by all concessions

(dollars) operating at the airport during the goal period. Existing agreements with DBEs and non-DBEs are included in the computation, together with any new ones forecast for the goal period.

Overall DBE = Estimated Gross Receipts
Goal from DBEs (\$)
Estimated Gross Receipts from
All Concessions (\$)

During the last twelve-month period, the New Orleans Aviation Board has achieved DBE participation of more than 10%. It should be noted, however, that the NOAB has committed to an overall annual goal of 35% DBE participation.

Every Airport concession may not be required to have DBE participation. However, in the aggregate, the DBE participation should achieve the approved goal. Consequently, every concession contribution to that goal becomes a critical evaluation criterion.

To achieve the stated goal, DBE participation can take any of the following forms:

1. DBE as sole concessionaire,
2. DBE as joint venturer
3. DBE as sublessee (providing a particular direct service

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New Orleans Aviation Board Car Rental Concession Agreement

THIS CAR RENTAL CONCESSION AGREEMENT (hereinafter referred to as "Agreement"), made and entered by and between the City of New Orleans (the "City"), acting through the New Orleans Aviation Board (the "Board"), and _____, a _____ with its principal offices at _____, and qualified to do business in the State of Louisiana (the "Concessionaire") to be effective upon the later of (i) July 1, 2009 or (ii) the date of execution by both the Board and the City after approval by the City Council of New Orleans.

WITNESSETH:

WHEREAS, the City, through the Board, owns and operates a municipal Airport known as Louis Armstrong New Orleans International Airport (the "Airport"); and

WHEREAS, the Board intends, and Concessionaire acknowledges, to plan, finance, construct, and operate a consolidated rental car facility and related service centers and other support areas at the Airport; and

WHEREAS, the Board through the RFB (as herein defined) solicited competitive bids for the car rental concessions at the Airport in connection with its obligation to serve the traveling public; and

WHEREAS, Concessionaire timely submitted a bid in response to said solicitation, and the Board has accepted said bid; and

WHEREAS, the Board has determined it to be in the best interest of the public to enter into a Concession Agreement with Concessionaire to provide car rental concession services in the Airport on a non-exclusive basis pursuant and subject to the terms and conditions hereunder; and

NOW, THEREFORE, in consideration of the mutual covenants, terms, conditions, privileges, and obligations herein, the Board and Concessionaire hereby mutually undertake, promise and agree, each for itself, and its successors and assigns, as follows:

ARTICLE I DEFINITIONS

- 1.1 In addition to terms defined elsewhere in this Agreement, the following terms, for purpose of this Agreement, shall have the meaning set forth below:

- a. "Agreement" means this contract between Concessionaire and Board for a Car Rental Concession under the terms and conditions expressly set forth herein.
- b. "Airport" means the land, with all improvements thereon and to be erected thereon, owned and/or operated by the City of New Orleans, Louisiana, acting through the New Orleans Aviation Board, commonly known as Louis Armstrong New Orleans International Airport.
- c. "Airport Concession Disadvantaged Business Enterprise" and "ACDBE" mean, as certified and verified by the Board, a concession business, whether it is a sole proprietorship, partnership, company or corporation, of which at least fifty-one percent (51%) of the interest is owned and controlled by one or more Disadvantaged Persons.
- d. "Airport Terminal" means the passenger terminal building at the Airport as of the Effective Date.
- e. "Assigned Areas" means the Existing Service Areas and Terminal Counters
- f. "Board" or "Aviation Board" means the legal entity that is party to this Agreement comprised of such public officials as may, by operation of law, succeed to any or all of the rights, powers, or duties, which lawfully reside in the New Orleans Aviation Board.
- g. "Calendar Year" means any one-year period beginning on January 1st and ending December 31st.
- h. "City of New Orleans" and "City" means the legal entity that is party to this Agreement comprised of such public officials and public bodies as may, by operation of law, succeed to any or all of the rights, powers, or duties which lawfully reside in the City Council of New Orleans.
- i. "CFC" or "Customer Facility Charge" means the per-transaction day charge imposed by the Board resolution and collected by the RACs from their customers pursuant to the Board resolution.
- j. "Commencement Date" means the later of (i) July 1, 2009 or (ii) the date of execution by both the Board and the City after approval by the City Council of New Orleans.
- k. "Consolidated Facility" shall collectively mean the CONRAC and the Service Centers.
- l. "CONRAC" means the portion of the Consolidated Facility consisting of a multi-story garage providing ready/return vehicle parking spaces and customer service building including customer service lobby, restrooms, customer service counter

- space, rental car company administrative office space, electrical utility room, and escalators and elevators allowing customer access to each level of the ready/return multi-level garage.
- m. "Contract Year" means any one-year period beginning on the first day of the Term and each anniversary thereof.
- n. "Concession" means the car rental concession, which solely includes the rental of motor vehicles to the public, and activities related thereto, as more specifically set forth herein.
- o. "Concession Fee" means the greater of the Percentage Fee or the Minimum Annual Guarantee for any Contract Year.
- p. "Concessionaire" means the legal entity or individual that is party to this Agreement and bound by contract to provide the Concession at the Airport, as more specifically set forth herein. In all provisions of this Agreement that require a person to comply with a specific provision requiring representation of Concessionaire, this person shall be duly authorized representative of Concessionaire.
- q. "Consolidated Rental Car Facility" and "CONRAC" mean the consolidated rental car facility being designed and constructed by the Board.
- r. "CONRAC Facilities Lease" means the lease to govern the lease of land and facilities related to the Service Centers and the CONRAC, which will become effective as of DBO of the Service Centers.
- s. "Counter Location" means Concessionaire's allocated rental car counter within the CONRAC, with such assignment to be effective as of DBO of the CONRAC.
- t. "Date of Beneficial Occupancy" and "DBO" mean the date on which the Board certifies the Service Facilities or CONRAC, as the case may be, are ready for the commencement of Concessionaire's operations pursuant to the terms of the CONRAC Facilities Lease.
- u. "Director of Aviation" and "Director" mean the Director or Acting Director of the Louis Armstrong New Orleans International Airport as from time to time appointed by the Board and shall include such person or persons as may from time to time be authorized by the Director to act for the Director with respect to any or all matters pertaining to this Agreement.
- v. "Disadvantaged Person" means a citizen or lawful permanent resident of the United States of America who is socially and/or economically disadvantaged, as further defined in 49 CFR Part 26, as may be amended during the Term.

- w. "DBE Liaison Officer" means the Director of Affirmative Action and Contract Compliance Division who is responsible for implementing all aspects of the DBE Program.
- x. "Effective Date" means the Commencement Date.
- y. "Existing Service Areas" means the area or areas on the Airport (excluding the Terminal), as indicated on Exhibit B attached hereto, as the place or places designated by the Board where the service center and ready/return operations of Concessionaire must be located prior to the DBO of the Service Centers, as further described in Article II hereof.
- z. "Gross Revenue" means the total sum of money received or realized by or accruing to the Concessionaire from all sales, by cash, credit, exchange or otherwise, of every kind, name, and nature, whether paid or unpaid, regardless of when or where paid, resulting from the total charges reflected on customer rental contracts for the rental of vehicles by Concessionaire at the Airport (regardless of where the order originated or where the exchange of vehicles occurs), and shall include, but not be limited to, the following:
 - i. All time and mileage charges, net of any discounts that may be offered, on vehicles rented at the Airport or on vehicles taken by customers from the Airport regardless of what station or establishment may receive the vehicle or the rent from them, including vehicles taken by customers in exchange for vehicles originally rented or taken by customers at the Airport;
 - ii. Drop charges charged to customers renting vehicles at the Airport but delivering them to another location;
 - iii. Monies separately stated and collected from customers for refueling of vehicles;
 - iv. All monies collected from customers for rental of accessories such as child restraint devices and mobile telephones; and
 - v. All monies paid for personal accident insurance coverage.

Gross Revenue shall not include the following:

- i. CFC collections;
- ii. All monies paid for collision and loss damage waiver;
- iii. Monies recovered from insurance or otherwise for damage to or for loss, conversion, or abandonment of vehicles or other property;

- iv. Any federal, state, or municipal sales taxes or other similar taxes separately stated and collected from customers; provided however, that no deduction shall be allowed for credit card discounts, franchise fees, concession fees, or taxes levied on concession activities, facilities, equipment, or real or personal property of Concessionaire;
- v. Proceeds from the disposal of Concessionaire's owned equipment, including vehicles;
- vi. Customer refunds for unsatisfactory service.
- aa. "Minimum Annual Guarantee" and "MAG" means the minimum amount of money payable to the Board during each Contract Year by Concessionaire in consideration for the rights granted herein to Concessionaire. Payment will be made monthly in accordance with the terms of this Agreement.
- bb. "Percentage Fee" means the sum of money due to the Board on account of a percentage share of Gross Receipts as hereinafter provided.
- cc. "Ready/Return Area" means Concessionaire's Ready/Return spaces within the CONRAC, with such assignment effective as of DBO of the CONRAC.
- dd. "RAC" means Rental Car Company.
- ee. "Request for Bids" and "RFB" mean the Board's "Request for Bids for the Management and Operation of a Car Rental Concession," issued February 27, 2009.
- ff. "Service Centers" means the portion of the Consolidated Facility constituting rental car service areas to be utilized by the On Airport Rental Car Companies for the maintenance, cleaning, conditioning, servicing, vehicle storage, washing, and fueling of Rental Cars with no damaged vehicles in view of the public. The existing place at which these functions take place is known as the "service areas".
- gg. "Term" means the term of this Agreement, as set forth in Article III hereof.
- hh. "Terminal Counters" means the area or areas in the Terminal, as indicated on Exhibit A attached hereto, as the place or places designated by the Board where the counter operations of Concessionaire must be located prior to the DBO of the CONRAC, as further described in Article II hereof.
- ii. "Transaction Day" means a twenty-four (24) hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term. However, if the same rental car is rented to more than one customer within such continuous twenty-four (24) hour period, then each such rental shall be calculated as a "Transaction Day," except that a partial day

that is a grace period of no more than two (2) hours after the last 24-hour day booked shall not be considered a Transaction Day.

1.2 Incorporation of Concessionaire's Bid.

Concessionaire and the Board acknowledge that Concessionaire's timely response to the Board's RFB issued February 27, 2009 (hereinafter referred to as the "Concessionaire's Bid"), attached hereto as Exhibit E and incorporated herein by reference, was a valuable consideration in the award of this Agreement to Concessionaire. Accordingly, Concessionaire shall be obligated to meet all specifications described in Concessionaire's Bid; provided, however, that where an express provision of this Agreement conflicts with any provision of Concessionaire's Bid, this Agreement shall control.

1.3 Incorporation of Exhibits.

The following Exhibits are hereby incorporated into and made a part of this Agreement:

- A. Terminal Counter Location
- B. Existing Service Area Location
- C. Shuttle Staging Location
- D. ACDBE Plan
- E. Concessionaire's Bid

ARTICLE II ASSIGNED AREAS

{Section 2.1(a) and 2.3 will be deleted from the Concession Agreement for those Successful Bidders that will not operate from an existing service area on the Airport.}

2.1 The Assigned Areas consist of Concessionaire's Existing Service Area and Terminal Counter.

- a. For the period beginning as of the Commencement Date and terminating as of the DBO of the Service Centers, the Board hereby leases to Concessionaire and Concessionaire hereby agrees to lease from the Board for its exclusive use, and for the uses and purposes defined in Article IV, subject to all the terms and conditions of this Agreement, the Existing Service Area.
- b. For the period beginning as of the Commencement Date and terminating as of the DBO of the CONRAC, the Board hereby leases to Concessionaire and Concessionaire hereby agrees to lease from the Board for its exclusive use, and for the uses and purposes defined in Article IV, subject to all the terms and conditions of this Agreement, the Terminal Counter.

2.2 The Board may, from time to time at its discretion, add additional space or spaces to or delete space or spaces from the Assigned Area in order to accommodate construction of the CONRAC.

2.3 All leasehold interests in the Existing Service Area granted hereunder shall terminate as of DBO of the Service Center.

2.4 All leasehold interests in the Terminal Counter granted hereunder shall terminate as of DBO of the CONRAC.

ARTICLE III TERM

3.1 Term.

- a. The term of this Agreement and the rights and obligations of Concessionaire and Board hereunder, shall commence on the Commencement Date and shall terminate upon the tenth (10th) anniversary of the DBO of the CONRAC; provided, however, the Agreement shall terminate as of the DBO of the Service Centers in the event Concessionaire does not execute the CONRAC Facilities Lease within a period of 15 days after Commencement Date.
- b. Notwithstanding the foregoing, in the event the Board determines to not construct the CONRAC, then this Agreement shall terminate on the fifth (5th) anniversary of the date of Commencement Date.

3.2 In the event Concessionaire shall, with the consent of the Board, hold over and continue to operate the Concession after the expiration of this Agreement, such holding over shall not be deemed to operate as a renewal or extension of this Agreement but shall only create a month-to-month permit on the same terms, conditions, and covenants, including consideration, contained herein. The Board may, however, at its option, renegotiate the fee consideration of this Agreement to be charged during such holdover period.

ARTICLE IV

RIGHTS, PRIVILEGES, AND OBLIGATIONS OF CONCESSIONAIRE

4.1 General.

- a. The Concessionaire has the right, privilege, and obligation in accordance with the terms contained herein, to operate a first class rental car concession from its Assigned Areas, from its Service Center (effective as of DBO of its Service Center), and from its Counter Location and Ready/Return Area within the CONRAC (effective as of DBO of the CONRAC).
- b. The Concessionaire shall have the right of ingress to and egress from its Assigned Areas, its Service Center, and its Counter Location and Ready/Return Area within the CONRAC over Airport roadways, including common use roadways, subject to any rules or regulations established from time to time by the Board. Such rights shall apply to the Concessionaire's employees, guests, patrons, invitees, suppliers, and other authorized individuals. The right of ingress and egress likewise applies to the transport of equipment, material, and product.
- c. The Concessionaire is prohibited from the following activities within its Assigned Areas: the sale of food/beverages or other food products to others except within its Assigned Areas to be consumed by its employees; the operation of automated teller machines ("ATMs"), provision of public telephone and telecommunication services, rental of luggage carts and lockers, sale or rental of advertising spaces, or operation of vending machines; automobile parking, during ordinary hours of operation, for other than the customers or employees of the Concessionaire or its vendors or its service providers; and the retail sale of motor vehicles.
- d. Should a conflict arise between the Concessionaire and other operators at the Airport regarding the scope of duties and/or privileges, the Director will serve as the final arbitrator. The Concessionaire has the right to appeal before the Board, and agrees to abide by the Board's decision.
- e. The Concessionaire agrees to reasonably cooperate with the Board in the planning and construction of the Consolidated Facility.
- f. The Concessionaire agrees that any leasehold, license, permit or other right to occupy its Existing Service Area, and to operate a car rental concession with such facility, terminate as of DBO of its Service Center.
- g. The Concessionaire agrees that any leasehold, license, permit or other right to occupy its Terminal Counter, and to operate a car rental concession within such facility, terminate as of DBO of the CONRAC.

- h. The Concessionaire agrees to vacate its Existing Service Area and to relocate its car rental concession operations to its Service Center, effective as of DBO of its Service Center.
- i. The Concessionaire agrees to vacate its Terminal Counter and to relocate its car rental concession operations to the CONRAC, effective as of DBO of the CONRAC.

4.2 Operations.

- a. Services shall be provided from the first scheduled arrival flight each day to the last scheduled arrival flight each day, three hundred sixty-five (365) days per year. Concessionaire shall assure that its Terminal Counter (prior to DBO of the CONRAC) and its Counter Location and Ready/Return Area within the CONRAC (effective as of DBO of the CONRAC) is manned during all hours of operation; provided, however, upon prior written approval of the Board, Concessionaire may be permitted to utilize computer check-in facilities during off-peak hours (i.e., 10 PM to 6 AM). The Director will have the authority to approve changes to the staffing requirement upon the request of the Concessionaire.
- b. The Concessionaire shall provide an adequate supply and variety of new (within 3 years of then-current model year) vehicles for rental to its customers at the Airport. Such vehicles shall be maintained by the Concessionaire in a first class operating and mechanical condition and repair and in clean and attractive condition. The Director or designee shall have the right to inspect such vehicles for maintenance and cleanliness at any time and shall further have the right to require that any vehicle be removed from service until necessary maintenance or cleaning is performed.
- c. The Concessionaire shall take all reasonable, proper and ethical measures to maintain, develop and increase the business conducted by it and shall not divert or cause to be diverted any car rental business from the Airport. Concessionaire shall not permit its agents, servants or employees to engage in solicitation of services offered by Concessionaire at the Airport and shall not converse or communicate in any way with persons not in Concessionaire's own Queue Area. Concessionaire's operations shall be conducted in an orderly, courteous and proper manner so as not to annoy, disturb or be offensive to others. The Director shall be the sole judge as to whether the conduct of Concessionaire's representatives is in violation of this Paragraph.
- d. The management and operation of the Assigned Areas, its Service Center, and its Counter Location and Ready/Return Area within the CONRAC shall at all times be under the supervision and direction of an active, qualified, competent manager who shall be assigned a duty station in the Assigned Areas, its Service Center, and its Counter Space and Ready/Return Area within the CONRAC and shall be available during normal business hours. A qualified subordinate shall be in charge of the Concessionaire's operations hereunder in the temporary absence of the manager.

Concessionaire shall insure that its employees shall be of sufficient number and capability to properly conduct Concessionaire's operations. Within 60 days after execution of this Agreement, Concessionaire shall submit its policy outlining its rules, regulations and operating procedures for this concession to the Director for approval.

- e. Concessionaire shall at all times observe prudent cash-handling procedures which shall include the utilization of sequentially pre-numbered rental contracts, daily bank deposits, and such other measures as Airport may reasonably require during the Term of this Agreement. If Concessionaire will be unable to provide sequentially pre-numbered rental contracts, Concessionaire must request approval of other organizational methods by the Airport.

4.3 Concessionaire Maintenance Responsibility.

a. Terminal Counter.

- i. The Concessionaire shall provide at its own cost and expense such custodial and cleaning services as may be necessary or appropriate in the operation and maintenance of its Assigned Area. Concessionaire shall be responsible for the cleaning of the Assigned Areas which shall include general and regular janitorial maintenance, trash removal, and fixture cleaning.
- ii. The Concessionaire shall provide routine maintenance and promptly make necessary repairs to its Assigned Area, including any of its own personal property placed in the Assigned Areas. Concessionaire shall be solely responsible for the maintenance and repairs to any plumbing fixtures, signs, floor coverings, interior walls, doors, windows, counters, ceilings, and lighting fixtures within the Assigned Area.

b. Existing Service Area.

- i. The Concessionaire shall provide at its own cost and expense such custodial and cleaning services as may be necessary or appropriate in the operation and maintenance of the Service Area, including all buildings and pavement areas. Concessionaire shall be solely responsible for the cleaning of all buildings located on the Assigned Area, which shall include but not be limited to general janitorial maintenance, trash removal (including tires, batteries, oil, etc.), window cleaning and fixture cleaning. Concessionaire shall also be solely responsible for the cleaning of all paved surfaces within the Assigned Area.
- ii. The Concessionaire shall provide at its own cost and expense all routine maintenance of its Service Area including any of its own personal property located within the Service Area. Concessionaire shall be solely responsible for the maintenance and repair to all building structures and paved surfaces, including but not limited to any plumbing fixtures, signs, floor coverings, interior walls,

interior doors, windows, counters, ceilings, interior/exterior lighting fixtures, paved surfaces and perimeter fencing.

- iii. The Concessionaire shall also provide at its sole cost and expense any services required to prevent or remedy hazardous substances, wastes, or pollutants caused by Concessionaire, its customers, agents, invitees, vendors, contractors, and subcontractors which are the subject of any law or regulation concerning the environment in accordance with Article VIII.

- c. Service Center (effective as of DBO of the Service Center) and Ready/Return Area within the CONRAC (effective as of DBO of the CONRAC). The Concessionaire's maintenance responsibility regarding its Service Center and its Ready/Return Area within the CONRAC will be governed by the CONRAC Facilities Lease.

- d. If Concessionaire fails to perform any obligation required under this Article IV, the Board shall give Concessionaire written notice of such failure. If Concessionaire, in the opinion of the Board, fails to perform such obligation within ten (10) calendar days of receipt of such notice, the Board may (but is not obligated to) perform such obligation of Concessionaire, and charge Concessionaire for the actual cost of such performance.

- e. Concessionaire may, from time to time, request the Board to perform any given maintenance, replacement or repair work for which Concessionaire is responsible. The Board shall be under no obligation to perform any such services. However, if the Board does perform any such services it shall charge the Concessionaire its standard billing rates for such service, including overhead costs.

- f. All work performed by the Concessionaire must be approved, in writing, by the Director or an appropriate designee, and shall be of first class quality in both materials and workmanship; and shall be in conformity with all applicable statutes, ordinances, building codes and rules and regulations prescribed from time to time by any federal, state, or local authority, including the Board.

- 4.4 At Airport's option, refurbishment of rental car counters within the Terminal will be done at Airport's expense.

4.5 Alterations, Additions and Fixed Improvements to Assigned Areas.

- a. Except as expressly provided herein, Concessionaire shall make no alterations, additions or fixed improvements to or installations on its Assigned Areas without the prior written approval of the Director, such approval not to be unreasonably withheld. Any alterations, additions, or improvements to Concessionaire's Assigned Areas, except those required under Paragraph 4.4 of this Agreement, shall be at the Concessionaire's own cost and expense.

- b. Before the commencement of any work undertaken pursuant to Paragraph 4.5 of this Agreement, detailed plans and specifications shall be filed with and approved in writing by the Director. All such work shall be done subject to and in accordance with all applicable statutes, ordinances, building codes, or rules and regulations of any federal, state, or local agency.
- c. All work done pursuant to Paragraph 4.5 of this Agreement shall be performed in a good and workmanlike manner and in accordance with the plans and specifications approved in writing by the Board for the same.
- d. Upon the termination or cancellation of any leasehold interests granted under this Agreement, the City and/or Board shall have no obligation to reimburse Concessionaire for any unamortized improvement costs associated with any alteration, addition or improvement in or on the Assigned Areas. All improvements made hereunder by the Concessionaire shall be and remain the property of the Concessionaire until the termination or cancellation of any leasehold interest granted under this Agreement (whether by cancellation, forfeiture, or otherwise), at which time said improvements shall become the property of the City and the Board without cost to the City or the Board.
- e. Concessionaire shall require that any contractor or contractors who perform the work contemplated by Paragraph 4.5 of this Agreement to furnish a good and sufficient Construction Bond in an amount not less than the full amount of the contract price for completing the improvements, as surety for the faithful performance of the contract by contractor and for the payment of all persons performing labor and furnishing material in connection with the work. Concessionaire shall further require that contractor to procure Contractor's General Public Liability and Property Damage Insurance in an amount not less than one million dollars (\$1,000,000) combined single limit, and Worker's Compensation Insurance. Concessionaire shall, before the commencement of any work, furnish the Board with evidence that the contractor or contractors are covered to the satisfaction of the Director with insurance as required herein. If at any time during the continuance of the contract a surety on the contractor's bond becomes irresponsible, the Board shall have the right to require additional and sufficient sureties which the contractor shall furnish within five (5) calendar days after notice to do so.
- f. Upon completion of any improvements, the Concessionaire shall provide the Board with: (1) a certified statement from the Contractor specifying the total construction cost; and (2) a certificate certifying that the improvements have been constructed in accordance with the plans and specifications approved by the Board, and in strict compliance with all applicable building codes, laws, ordinances, rules and regulations.
- g. The Concessionaire may, at its own expense, install and operate necessary and appropriate identification signs on the Airport for its purpose, subject to the prior

written approval of the Board as to the number, size, height, location, color, and general type.

- h. The Concessionaire shall not remove or demolish, in whole or in part, any improvements upon the Assigned Areas without the prior written approval of the Board.
- 4.6 Obligation to vacate Existing Service Area. The Concessionaire hereby agrees to vacate its Existing Service Area and transfer its service operations to its assigned Service Center effective as of DBO of the Service Centers, as specified in the CONRAC Facilities Lease.
- 4.7 Obligation to occupy the CONRAC. The Concessionaire hereby agrees to occupy its allocated portion of the CONRAC, effective as of DBO of the CONRAC, as specified in the CONRAC Facilities Lease.

ARTICLE V RIGHTS, PRIVILEGES, AND OBLIGATIONS OF THE BOARD

- 5.1 The Board shall have the right to examine at any time all books, records, and supporting documentation of the Concessionaire as they pertain to such operations which are the subject of the Agreement.
- 5.2 The Director, or a duly appointed representative, shall have the right to enter the Assigned Area at any time to:
- a. Inspect the Assigned Areas, Service Center, and Counter Location and Ready/Return Area within the CONRAC to determine whether the Concessionaire has complied with and is complying with the terms and conditions of this Agreement. At the discretion of the Director, Concessionaire may be required to effect any repairs at Concessionaire's cost.
- b. Perform any and all maintenance items which the Concessionaire is obligated to perform in accordance with Article IV, Paragraph 4.3, and has failed to do after written notice to do so, including: maintenance, repairs and replacements to the Assigned Areas. The cost of all labor and materials required to complete the work will be paid by the Concessionaire within ten (10) calendar days following demand by Director for said payment.
- c. Exercise the City's and/or the Board's police power.
- 5.3 The Company shall provide low mileage vehicles not more than 3 model years old for rental that have no significant physical or mechanical defects. Any shuttles operated by

Company shall also be maintained in good working condition, free of any physical or mechanical defects.

- 5.4 The Board shall have the right at any time during the Term of this Agreement to recapture all or substantially all of the Existing Service Area occupied by the Concessionaire pursuant to this Agreement for Airport expansion and development purposes. Concessionaire agrees to vacate such premises within one hundred-eighty (180) days after receipt of written notice thereof.
- 5.5 The Board may provide parking facilities to the Concessionaire's employees in common with employees of other concessionaires at a specified location and may institute a reasonable charge therefore.
- 5.6 The Board shall make structural repairs to the roof, floor and exterior walls and windows of the Airport Terminal when required by reason other than negligence of Concessionaire. Should the Board be required to make any repairs or improvements under the provisions herein contained, the Board shall not be liable to Concessionaire for any damage caused by disrepair of any kind until it has had reasonable opportunity to perform repairs after being notified in writing of the need for same by Concessionaire. Further, the Board shall not be liable to Concessionaire for any damage to merchandise, trade fixtures, or personal property of Concessionaire in the Assigned Areas caused by water leakage from water lines, sprinkler, or heating and air conditioning equipment.

ARTICLE VI AIRPORT CONCESSION DISADVANTAGED BUSINESS ENTERPRISE PARTICIPATION

- 6.1 The Board has adopted an official Disadvantaged Business Enterprise Plan and Disadvantaged Business Enterprise Concession Plan pursuant to Title 49 CFR Part 23, entitled "Participation by Disadvantaged Business Enterprises in Airport Concessions," attached hereto as Exhibit D (the "ACDBE Plan") and incorporated herein by reference. This Agreement is subject to the ACDBE Plan, and as such, Concessionaire agrees to the following ACDBE participation:

For each Contract Year of the Term, Concessionaires agree to undertake Good Faith Efforts, as defined in the ACDBE Plan, to provide for a level of ACDBE participation equal to or greater than 13.62% with respect to the procurement of goods and services related to the operation of this concession from ACDBE entities. Concessionaire acknowledges that, as provided in 49 CFR Part 23, as amended, and the Board's ACDBE Plan, as amended, goals are subject to change as from time to time.

- 6.2 No later than twenty (20) days following the end of each calendar quarter, Concessionaire shall submit to the DBE Liaison Officer a completed contract compliance report in a form to be specified by the DBE Liaison Officer.

- 6.3 Continued Non-Compliance with the ACDBE participation provisions as stated herein including, but not limited to, reporting requirements set forth in this Article VI shall constitute a material breach hereof, and in the event of such noncompliance, the Board shall have the right at its sole discretion, to terminate this Agreement or, at its option, assess liquidated damages in the form of fines as set forth below to be paid to the Board within thirty (30) days of such assessment. For purposes of this Section 6.3, "Continued Non-Compliance" shall mean two or more written determinations of non-compliance issued by the DBE Liaison Officer during the Term.
- 6.4 In the event of Continued Non-Compliance, the Board may assess liquidated damages in an amount equal to thirty-five percent (35%) of the difference between the total amounts attributable to ACDBE participation during the applicable Contract Year had there been compliance with the 13.62% ACDBE participation goal and the amounts actually generated by ACDBE entities during said Contract Year.

ARTICLE VII FEES, CHARGES AND ACCOUNTABILITY

- 7.1 Terminal Counter Rent.

The Concessionaire agrees to pay the Board \$56.95 per square foot per annum as rental for the Terminal Counter leased herein, as described in Exhibit A, during the first Contract Year of this Agreement. For each Contract Year following the first Contract Year the Terminal Counter space rental rate shall be escalated based on the Airport's projected cost of providing such space, but in no event less than \$56.95 adjusted by the Consumer Price Index (CPI). The Board shall notify the Concessionaire no later than sixty (60) days prior to the commencement of the next ensuing Contract Year of the revised per square foot rate. The Board notification shall include reasonable justification for such proposed annual increases, if any. The Concessionaire's obligation to pay Terminal Counter Rent shall terminate as of DBO of the CONRAC. Effective as of DBO of the CONRAC, the Concessionaire's obligation to pay rent related to counter space effective will be governed by the CONRAC Facilities Lease, which will be in a form substantially similar to the Form of CONRAC Facilities Lease attached as Appendix 3 to the Rental Car Concessions RFB document.

- 7.2 Existing Service Area Rent.

The Concessionaire agrees to pay the Board \$3.00 per square foot per annum as rental for all building areas and \$0.30 per square foot per annum as rental for all non-building areas within the Existing Service Area. The Existing Service Area rental rates as described above shall be reevaluated annually and adjusted at the discretion of the Board. The Concessionaire's obligation to pay Existing Service Area Rent shall terminate as of DBO of the new Service Centers. Effective as of DBO of the new Service Centers, the Concessionaire's obligation to pay rent related to service areas will be governed by the

CONRAC Facilities Lease, which will be in a form substantially similar to the Form of CONRAC Facilities Lease attached as Appendix 3 to the Rental Car Concessions RFB document.

7.3 Concession Fee.

For each Contract Year, Concessionaire agrees to pay to the Board the Concession Fee equal to the greater of:

- The Percentage Fee equal to ten percent (10%) of Gross Revenue received by Concessionaire for the operations permitted herein; or
- The Minimum Annual Guarantee ("MAG") for said Contract Year as follows:

Contract Year 1	\$ _____
Contract Year 2	\$ _____
Contract Year 3	\$ _____
Contract Year 4	\$ _____
Contract Year 5	\$ _____

Commencing at the beginning of the sixth (6th) Contract Year, and for each Contract Year thereafter for the remainder of the Term, the Concessionaire's MAG will be adjusted to an amount equal to eighty percent (80%) of the Percentage Fee paid by the Concessionaire in the prior Contract Year; provided, however, that in no event shall the MAG be reduced below the MAG for the prior Contract Year.

7.4 CFC.

Beginning as of the Commencement Date and continuing through the Term of the Agreement, the Concessionaire must continue to collect and remit the CFC at the per-transaction day level established pursuant to the resolution adopted by the Board on July 16, 2008 captioned:

- "A resolution establishing and imposing a customer facility charge to be collected by all on-airport rental car companies operating at Louis Armstrong New Orleans International Airport to be used to finance a consolidated rental car facility; establishing certain requirements for both on and off-airport rental car companies' operations at the Airport with respect to the consolidated rental car facility; and providing for other matters in connection therewith," as supplemented and amended by that resolution adopted by the Board on October 15, 2008 captioned:
- "A resolution amending that certain resolution adopted on July 16, 2008 imposing a consolidated facility charge so as to 1) delay the commencement of its collection until November 1, 2008, 2) amend the definition of Transaction Day, 3) increase the rate thereof to \$5.50 and 4) provide for the termination of the CFC on April 30, 2009 unless certain conditions are satisfied; and other matters in

connection therewith," as supplemented and amended by that resolution adopted by the Board on April 15, 2009 captioned:

- "A resolution amending both that certain resolution adopted on July 16, 2008 imposing a consolidated facility charge at the Airport and that certain First Amending and Supplemental CFC Resolution adopted on October 15, 2008 which amended the initial CFC Resolution so that as amended they shall provide that the imposition and collection of the CFC shall terminate on the later of (i) April 30, 2009 or (ii) the last day of the calendar month within which the total amount of CFC collections have equaled at least the total amount of fees, costs, and expenses incurred and for which the Board is obligated which are attributable to the imposition of the CFC, the request for bids process for the proposed new rental car concession agreements, the proposed leases for the Consolidated Facility and the planning, designing and financing of the Consolidated Facility unless certain conditions are satisfied; and other matters in connection therewith," as supplemented and amended by that resolution adopted by the Board on May 13, 2009 captioned:
- "A resolution supplementing, amending and restating three previously adopted resolutions establishing and imposing a Customer Facility Charge to be used to finance a Consolidated Rental Car Facility to be constructed at Louis Armstrong New Orleans International Airport and establishing certain requirements for rental car companies with respect to the Consolidated Rental Car Facility."

The CFC rate was increased from five dollars and fifty cents (\$5.50) to six dollars and twenty cents (\$6.20) per Transaction Day commencing effective June 1, 2009; however, the CFC rate may be changed from time to time by the Director as required without further action by the Board or the City Council and may be changed by the Board and must be increased under certain circumstances as required by the Rate Covenant and the Bond Documents. The amount of the CFC must be established by the Director or the Board in accordance with the CFC Resolution which established such charge and the CFC Master Indenture and will be used to pay the CFC Cost in each Bond Year and other related expenses of the CONRAC, the Service Centers, and the CFC Master Indenture. The CFC Revenues shall be remitted to Board at P.O. Box 20007, New Orleans, LA 70141 for the prior calendar month on or before the 20th day of each calendar month to the New Orleans Aviation Board, P.O. Box 20007, New Orleans, LA 70141.

7.5 Utilities.

To the extent that utility charges are not paid directly to the utility companies, Concessionaire agrees to pay the Board all ordinary and reasonable charges for utility consumption and services including all gas, electricity, water and sewer pursuant to either

1) monthly meter readings located at each Assigned Area or 2) an engineering estimate of utility consumption within each Assigned Area.

7.5 Method of Payment.

- a. Commencing upon the execution of this Agreement and continuing on the first of each month thereafter during the remainder of the Term of this Agreement, Concessionaire shall pay to the Board one-twelfth (1/12) of the annual Terminal Counter/Office Rent, annual Existing Service Area Rent and the applicable Minimum Annual Guarantee as required herein. The Concessionaire's obligation to pay Terminal Counter Rent shall terminate as of DBO of the CONRAC. Effective as of DBO of the CONRAC, the Concessionaire's obligation to pay rent related to counter space effective will be governed by the CONRAC Facilities Lease. The Concessionaire's obligation to pay Existing Service Area Rent shall terminate as of DBO of the new Service Centers. Effective as of DBO of the new Service Centers, the Concessionaire's obligation to pay rent related to service areas will be governed by the CONRAC Facilities Lease.
- b. In addition to the above referenced monthly payments, Concessionaire shall, on or before the twentieth (20th) day of each month commencing with the twentieth (20th) day of the second month of the first Contract Year and continuing monthly throughout, pay to the Board the amount, if any, that ten percent (10%) of the Gross Revenue from the prior month that exceeds the monthly payment of one-twelfth (1/12) of the applicable Minimum Annual Guarantee made in that prior month.
- c. Pursuant to monthly invoices, Concessionaire agrees to pay all utility charges within thirty (30) calendar days of receipt of said utility invoice.
- d. In the event that one of the following conditions exists during the Term hereof, the Minimum Annual Guarantee provided in Paragraph (A) above will be abated for the period of time said condition continues to exist.
 - i. If the operation of Concessionaire's car rental business at the Airport, through no fault of Concessionaire's, is affected by shortages in the supply of automobile gasoline in an amount less than seventy five percent (75%) of the quantity of gasoline consumed by said Concessionaire during the comparable monthly, quarterly, semi-annual or annual period immediately preceding such condition, for a period of at least thirty (30) days.
 - ii. If for any reason, the number of passengers deplaning at the Airport, during any calendar month, shall be less than 80 percent of the number of deplaning passengers in the same period of the immediately preceding calendar year; and Gross Revenues during the same calendar month shall be less than 80 percent of the Gross Revenues in the same period of the immediately preceding calendar year, the Concessionaire's MAG for that year will be reduced by 50 percent.

iii. Notwithstanding any abatement of the Minimum Annual Guarantee, as provided above, Concessionaire shall continue to pay the Percentage Payment.

- e. In the event that Concessionaire's aggregate payments to the Board for any Contract Year exceed the Minimum Annual Guarantee and exceed ten percent (10%) of Gross Revenue for that Contract Year, then Concessionaire shall be entitled to a credit for such overpayment in the immediately subsequent Contract Year. Said credit shall be the difference between the amount paid by Concessionaire and the greater of the Minimum Annual Guarantee or ten percent (10%) of annual Gross Revenues for the Contract Year in question. The overpayment shall be credited to rental payments next thereafter due from Concessionaire.
- f. All payments shall be made in lawful money of the United States, free from all claims, demands, set-offs, or counter-claims of any kind. Any payments not paid when due shall be subject to interest thereon at the rate of one and one half percent (1 1/2%) per month.

7.6 Maintenance and Audit of Records.

- a. The Concessionaire shall keep full and accurate books and records showing all of its said activity hereunder, including but not limited to daily deposit reconciliations, copies of all pre-numbered rental contracts, and other records related to Gross Revenue. Such books and records shall be made available in the New Orleans area and maintained in accordance with generally accepted accounting principles unless otherwise agreed to by the Board. In the event books and records are not in the New Orleans area, Concessionaire shall be fully responsible for all travel expenses of the Board's auditors. The Board shall have the right, through its representatives, at all reasonable times, to inspect Concessionaire's books and records, with a minimum of twenty-four (24) hours advance notice. The Concessionaire agrees that all such records and instruments will be made available to the Board for at least a three (3) year period following the end of each Contract Year of the Agreement.
- b. Should any examination, inspection, and/or audit of Concessionaire's books and records by the Board disclose an underpayment by Concessionaire in excess of two (2%) percent of the total Percentage Payment due, Concessionaire shall promptly pay the Board the amount of such underpayment and shall reimburse the Board for all costs incurred in the conduct of such examination, inspection, and/or audit. In the event that the Board deems it necessary to utilize the services of legal counsel in connection with collecting the reimbursement for such examination, inspection, and/or audit, then Concessionaire shall reimburse the Board for all costs, reasonable fees, and expenses.

7.7 Audit Requirement.

Within ninety (90) calendar days after the end of each Contract Year, Concessionaire shall submit to the Board a schedule of Gross Revenue for the preceding Contract Year,

covering all business transacted by Concessionaire under this Agreement. Such schedule shall be certified by an independent certified public accountant; shall be prepared in accordance with generally accepted auditing standards, including, but not limited to, the Statement of Auditing Standards (S.A.S.) #62 - Special Reports, paragraph 18; and said independent certified public accountant shall certify that the Concessionaire's schedule of Gross Revenue and such other activity related to Percentage Payments, all as defined in this Agreement, is free from material misstatements and that the statements and payments to Board resulting there from are in accordance with this Agreement. Any adjustments to Concessionaire's fees and charges paid hereunder shall be separately stated and remitted.

7.8 Revenue Inclusion.

In those instances where Concessionaire operates an off-airport car rental service facility and/or off-airport car rental offices/rental counters within a 5 statute mile radius of the Airport, the total sum of money received or realized by or accruing to the Concessionaire resulting from the total charges reflected on customer rental contracts for the rental of vehicles by Concessionaire at such facilities must be included in Concessionaire's Gross Revenue figure for calculation of Percentage Payments. Concessionaire shall not divert any automobile rental business generated at the Airport to other locations, acknowledging that said diversion would reduce the revenue due to the Board.

ARTICLE VIII LIABILITY, INDEMNITY, AND INSURANCE

- 8.1 Each party hereto shall give to the other prompt and timely written notice of any claim made or suit instituted coming to its knowledge which in any way, directly, or indirectly, contingent or otherwise, affects or might affect either, and each shall have the right to participate in the defense of the same to the extent of its own interest.
- 8.2 The Concessionaire hereby agrees to release, indemnify and save the City and the Board, their officers, agents and employees from any and all claims, damages, suits, costs, expense, liability, actions or proceedings of any kind or nature whatsoever, including Worker's Compensation claims, of or by anyone whomsoever, in any way resulting from, or arising out of, directly or indirectly its operations in connection herewith, or its use or occupancy of any portion of New Orleans International Airport, and including acts and omissions of officers, employees, representatives, suppliers, invitees, customers, guests, patrons, contractors and agents of the Concessionaire; provided, however, that the Concessionaire need not release, indemnify or save harmless the City and the Board, their officers, agents and employees from damages resulting from the negligence of the officers, agents or employees of the City or the Board. The minimum insurance requirements prescribed herein shall not be deemed to in any way limit or define the obligations of the Concessionaire hereunder.

- 8.3 The Concessionaire shall procure and maintain at its own expense the following types and amounts of insurance for the Term of this Agreement, including any hold over period pursuant to Paragraph 3.2:
- a. Comprehensive General Liability Insurance: including automobile liability insurance covering owned, hired and non-owned vehicles. The policy or policies providing said coverage shall include premises, operations, independent contractors, personal injury (deleting any exclusion relating to employees), products, and contractual liability, including, but not limited to, the liability assumed by Concessionaire under any hold harmless provisions of the Agreement. Said policy or policies shall be an occurrence form and shall cover loss or liability for damages in an amount not less than Two Million Dollars (\$2,000,000), combined single limit, for each occurrence for personal injury, bodily injury, death or property damage occurring by reason of the Concessionaire's operations in, on or about the Airport.
 - b. Worker's Compensation and Employers' Liability Insurance: in the amounts and form required by the Worker's Compensation Act and insurance laws of the State of Louisiana. The policy will include a Waiver of Subrogation against the City of New Orleans and the New Orleans Aviation Board.
 - c. Property Insurance: for Leasehold Improvements, Business Fixtures, Equipment, Furniture, and Furnishings insuring against all risks in an amount not less than one hundred percent (100%) value of the replacement cost of the insured property. The City and the Board shall be named as additional insureds.
 - d. Performance Bond: on the effective date of this Agreement and for each Contract Year of the Term of this Agreement, the Concessionaire will provide the Board with a performance bond in the amount of fifty percent (50%) of the first year's Minimum Annual Guarantee from a surety company authorized to do business in Louisiana with a rating of "A" or better in the most current edition of the A.M. Best Insurance Report. The bond must be countersigned by a Louisiana licensed agent authorized to represent the surety company writing the bond and that agent's power of attorney must be attached to the bond submitted. In lieu of a performance bond, the Concessionaire may deposit with the Board in the form of a cashier's check payable to the Board, in the amount of fifty percent (50%) of the first year's Minimum Annual Guarantee. The performance bond shall be retained by the Board for the entire Term and any extension or holdover period of the Agreement. The Board shall not be liable for any interest on such sums on deposit with the Board.
- 8.4 The insurance specified above shall, either by provisions in the policies or by special endorsements attached thereto, insure the City and the Board against the risks to which it is exposed as the owner of the Airport and as the grantor of the right to operate under this Agreement, and except for Worker's Compensation and Employer's Liability coverage, shall include the City and the Board and their officers, employees and agents and shall contain a standard cross-liability provision and shall stipulate that no insurance held by

the Board will be called on to contribute to a loss covered thereunder. The City and the Board shall have no liability for any premiums charged for such coverage, and the inclusion of the City and the Board as additional insured is not intended to, and shall not, make the City or Board a partner or joint venturer with Concessionaire in Concessionaire's operations at the Airport. Such policies shall also insure Concessionaire against the risks to which it is exposed as the operator under this Agreement, and shall be for full coverage with any deductibles and/or retention subject to approval by the Board and shall contain provisions on the part of the respective insurers waiving the right of such insurers to subrogation.

- 8.5 In the event Concessionaire provides or desires to provide all or a portion of the above required insurance coverage under a self-insurance program, such program shall be subject to the prior written approval of the Board. Concessionaire shall furnish any information requested by Board to Board's designated risk manager and legal counsel and shall cooperate fully with all reasonable requests.
- 8.6 The original or a certified copy of all effective policies, plus certificates evidencing the existence thereof, all in such form as the Board may require, or a binder, shall be delivered to Board upon the execution of the Agreement. In the event a binder is delivered, it shall be replaced within ten (10) calendar days by the original or a certified copy of the policy. Each such policy or certificate shall contain a valid provision or endorsement that "This policy will not be canceled or materially changed or altered without first giving thirty (30) days written notice thereof to the Director of Aviation, New Orleans International Airport, Post Office Box 20007, New Orleans, Louisiana 70141, sent by certified mail, return receipt requested." All policies and certifications must name the City and the Board as additional insured.
- 8.7 A renewal policy shall be delivered to the Director of Aviation at least fifteen (15) calendar days prior to a policy's expiration date.
- 8.8 The Concessionaire shall indemnify and hold harmless the Board and the City against any and all costs including fines or penalties or administrative costs that may be associated with the release into the environment of any hazardous substances or pollutants in connection with the operation of the Existing Services Area facilities or breaches or violations of any law or regulation concerning the environment or hazardous substances, wastes, or pollutants caused by or resulting from the use by Concessionaire of the Existing Service Area facilities, and including all costs assessed against Concessionaire by others for use of pollution control, fire fighting, or similar equipment, cost of personnel and all related costs of any nature incurred by or assessed or charged to Concessionaires in order to comply with environmental regulations or to prevent or remedy the release of substances into the environment. Concessionaire shall have the obligation to promptly notify the Board in writing of any breaches of any nature of any environmental laws or regulations. Concessionaire shall notify the Board in writing of the method of disposal of hazardous substances or pollutants including the name of any company(ies) hired to dispose of and/or handle such hazardous substances or pollutants

and the location of all disposal sites. Notwithstanding the foregoing, Concessionaire shall not be liable for any environmental condition which was not caused by Concessionaire, its customers, agents, invitees, vendors, contractors and subcontractors and existed prior to Concessionaire's occupancy of the Existing Services Area and the Consolidated Facility.

- 8.9 Concessionaire must defend, indemnify, and hold harmless the City, the Board and any of its agencies, officials, officers, or employees from and against all claims, damages, liability, losses, costs, and expenses, including reasonable attorneys' fees, arising out of or resulting from any acts or omissions in connection with this Agreement, caused in whole or in part by Concessionaire, its employees, agents, or subcontractors, or caused by others for whom Concessionaire is liable. The indemnity provision set forth herein will survive the expiration or early termination of this Agreement.
- 8.10 Concessionaire covenants and agrees that it will comply with all regulations concerning the installation, operation, maintenance, and inspection of underground tanks (including but not limited to financial responsibility requirements) and indemnifies and holds the Board harmless from any costs incurred by Board in connection with such requirements. Concessionaire further covenants that within one year of the Commencement Date of this Agreement, it shall undertake appropriate tests of the underground tanks, associated piping, and any contaminants found in the soil or groundwater and restore the premises, soil, and groundwater to a condition approved by the federal, state, and local authorities. If said tests result in a determination that the underground tanks or distribution system are leaking or pose a future or present pollution hazard, Concessionaire shall undertake in a reasonable, immediate time frame a project to uncover and remove the underground tanks and correct or mitigate as appropriate the pollution hazard, and restore the premises. If said tests result in a determination that the underground tanks and distribution system are not leaking and pose no future or present pollution hazard, Concessionaire shall advise Board, in writing, of its intentions with respect to continued use of the underground tanks and distribution system, and its plan for monitoring the environmental safety of the tanks and system. If the Concessionaire elects not to continue use of said underground tanks and distribution system it shall undertake a project to uncover and remove said tanks and system and restore the premises.

ARTICLE IX ASSIGNMENT, SUBCONTRACTING AND CHANGE IN OWNERSHIP

- 9.1 Concessionaire shall not assign or transfer this Agreement or any other right, privilege or license conferred by this Agreement, either in whole or in part or subcontract any portion of the obligations under this Agreement, without obtaining in advance the written consent of the Board.
- 9.2 Concessionaire must obtain the consent of the Board to keep this Agreement in effect prior to any transfer or merger of ownership in whole or in part between Concessionaire and any other corporation, company, or individual.

- 9.3 The Board reserves the right to deny any assignment, subcontract or acceptance of transfer of ownership for any reason it deems to be in the best interest of the Airport. Such consent will not be unreasonably withheld, and the underlying obligation of the parent company will continue.

ARTICLE X CANCELLATION BY CONCESSIONAIRE

- 10.1 In addition to all other remedies available to Concessionaire, this Agreement shall be subject to cancellation by Concessionaire by giving a thirty (30) day written notice to the Board, should any one or more of the following events occur; provided, however, that none of the payments due or paid hereunder by Concessionaire shall be refunded to Concessionaire:
- a. The abandonment of the Airport as an airline terminal or the permanent removal of all certified passenger airline service from the Airport; or
 - b. The assumption by the United States government, or any authorized agency thereof, of the operation, control, or use of the Airport, or any substantial part or parts thereof in such manner as to prevent Concessionaire from operating thereon for a period of at least ninety (90) consecutive days; or
 - c. The breach by the City or the Board in the performance of any covenant of any Agreement required to be performed by the City or the Board and the failure of the City or the Board to commence to remedy such breach for a period of sixty (60) days after receipt of notice of breach from Concessionaire; or
 - d. The issuance by any court of competent jurisdiction of any injunction not caused by the act or omission of the Concessionaire preventing or restraining the use of the Airport in such a manner as to substantially restrict Concessionaire from conducting its operations and such injunction remains in effect or is not overturned for at least ninety (90) calendar days.

ARTICLE XI CANCELLATION BY BOARD

11.1 Events of Default.

The occurrence of any of the following shall constitute an Event of Default:

- a. The failure of the Concessionaire to pay all installments of rents or fees when due (with interest) under Article VII hereof within five (5) calendar days after written notice to Concessionaire that such rent, interest and/or fees are overdue.
- b. The Concessionaire shall become insolvent, as such term is defined under Section 101 of U.S. Bankruptcy Code; or shall fail to pay its debts generally as they mature;

or shall seek the benefit of any present or future federal or state insolvency statute; or shall make a general assignment for the benefit of creditors; or shall file a voluntary petition in bankruptcy or a petition or answer seeking an arrangement of its indebtedness under the Bankruptcy Code or under any other law or statute of the United States or of any State thereof; or consent to the appointment of a receiver, trustee, custodian, liquidator, or other similar official, of all or substantially all of its property; or an order for relief shall be entered by or against the Concessionaire under any chapter of the Bankruptcy Code.

- c. By order or decree of any court the Concessionaire shall be adjudged a debtor or bankrupt or an order shall be made approving a petition filed by any of its creditors or by any of its stockholders, seeking its reorganization or the readjustment of its indebtedness under the U.S. Bankruptcy Code or under any other law or statute of the United States or any State hereof and such order or decree shall not be stayed or vacated within sixty (60) calendar days of its issuance.
- d. A petition under any chapter of the U.S. Bankruptcy Code or an action under any federal or state insolvency law or statute shall be filed against the Concessionaire and shall not be dismissed or stayed within sixty (60) calendar days after the filing thereof.
- e. By, pursuant to, or under authority of any legislative act, resolution, or rule, or any order or decree of any court or governmental board, agency or officer, a receiver, trustee, custodian, liquidator, or other similar official shall take possession or control of all or substantially all of the property of the Concessionaire.
- f. The Concessionaire shall become a corporation or partnership in dissolution.
- g. The letting, license, or assignment of any interest of or rights of the Concessionaire hereunder shall be transferred to, pass to, or devolve upon, by operation of law or otherwise, any other person, firm, corporation, partnership or other entity, by, in connection with, or as a result of any bankruptcy, insolvency, trusteeship, liquidation, or other proceedings or occurrence described in subsections B through F of this Paragraph 11.1.
- h. The Concessionaire shall become a merged corporation in a merger or a constituent corporation in a consolidation without the prior written approval of Board.
- i. A single lien which exceeds \$25,000, or multiple liens which in the aggregate exceed \$50,000 shall be filed against the Assigned Area or any portion thereof because of any act of omission of the Concessionaire, which are not discharged within thirty (30) calendar days after receipt of notice or other knowledge thereof by the Concessionaire, unless the Concessionaire shall within the aforesaid thirty (30) calendar days after receipt of notice or other knowledge thereof by the Concessionaire furnish to the Board security acceptable to Board in the amount of

one hundred fifty percent (150%) of such lien or liens to protect the interests of the City and the Board.

- j. Except as otherwise provided in this Article XI, the Concessionaire shall fail, in the Board's sole discretion, to keep, perform, and observe any material promise, covenant, or other provision of this Agreement for a period of thirty (30) calendar days after written notice specifying such failure.
- k. The Concessionaire shall, in the Board's sole discretion, fail in any material respect to operate a rental car concession in accordance with the terms of this Agreement.

11.2 Remedies of Board on Default.

Notwithstanding any other provisions in this Agreement to the contrary, the Concessionaire agrees that upon the occurrence of any Event of Default, the Board may:

- a. Terminate this Agreement without discharging any of the Concessionaire's financial obligations to the Board hereunder and exclude the Concessionaire from the Assigned Area.
- b. Without terminating this Agreement, exclude the Concessionaire from the Assigned Areas, Service Center, and Counter and Ready/Return area within the CONRAC (collectively, for purposes of this Article XI, the "Premises") and use its best efforts to lease any portion of the Premises to another rental car concessionaire for the account of the Concessionaire, holding the Concessionaire liable for all rentals and other payments due hereunder up to the effective date of such leasing and for the excess, if any, of the rentals and other amounts payable by the Concessionaire under this Agreement for the remainder of the Term of this Agreement in excess of the rentals and other amounts which are paid by such new tenant under such new agreement.

11.3 No Remedy Exclusive.

The remedies set forth in this Article XI shall be in addition to all other remedies which are or may be available to the Board at law or equity. No termination of this Agreement or the taking or recovering of any portion of the Premises shall deprive the Board of any of its remedies or actions against the Concessionaire for rentals due, for damages, or for the breach of any covenant herein contained, nor shall the bringing of any action for rentals due or breach of any covenant, or the resort to any other remedy herein provided for the recovery of rentals due be construed as a waiver of the right to obtain possession of the any portion of the Premises.

11.4 No Waiver.

A failure by either party to take any action with respect to any default or violation of any of the terms, covenants, or conditions of this Agreement shall not in any respect limit,

prejudice, diminish, or constitute a waiver of any rights of such party to act with respect to any prior, contemporaneous, or subsequent violation or default or with respect to any continuation or repetition of the original violation or default. The acceptance by the Board of payment for any period or periods after a default or violation of any of the terms, conditions, and covenants of this Agreement shall not constitute a waiver or diminution of, nor create any limitation upon any right of the Board pursuant to this Agreement to terminate this Agreement for any subsequent violation or default, or for continuation or repetition of the original violation or default.

11.5 Agreement to Pay Attorneys' Fees and Expenses.

In the event the Concessionaire defaults under this Agreement and the Board employs attorneys or incurs other expenses for the collection of rentals or any other amounts due hereunder, or for the enforcement of performance or observance of any obligation or agreement on the part of the Concessionaire herein contained, the Concessionaire shall, on demand, pay to the Board the reasonable fees, costs, and expenses so incurred by the Board.

ARTICLE XII DAMAGE OR DESTRUCTION OF ASSIGNED AREAS

- 12.1 If all or a portion of the Assigned Areas are partially damaged by fire, explosion, the elements, public enemy, or other casualty, but not rendered unusable, the same will be repaired with due diligence by the City and the Board at its own cost and expense, subject to limitations as hereinafter provided. If said damage is caused by the act or omission of the Concessionaire, its sub-contractors, agents or employees, Concessionaire shall be responsible for reimbursing the City and/or the Board for the cost and expenses incurred in such repair.
- 12.2 If damage is so extensive as to render the Assigned Areas, or any portion thereof, unusable, but are capable of being repaired within thirty (30) calendar days, the same shall be repaired with due diligence by the City or the Board at its own cost and expense, subject to the limitations as hereinafter provided, and a portion (to be determined by the Board at its sole discretion) of the rentals, fees and charges payable herein shall abate from the time of the damage until such time as the premises are fully restored and certified by the Board as ready for use; provided, however, that if said damage is caused by the act or omission of Concessionaire, its subcontractors, agents or employees, said rentals, fees and charges will not abate and Concessionaire shall be responsible for reimbursing the City and the Board for the cost and expenses incurred in such repair.
- 12.3 In the event all or a substantial portion of the Assigned Areas is completely destroyed by fire, explosion, the elements, public enemy or other casualty, or are so damaged that they are unusable and cannot be replaced except after more than thirty (30) calendar days, the Board and the City shall be under no obligation to repair, replace or reconstruct said premises and a portion (to be determined by the Board at its sole discretion) of the

rentals, fees and charges payable hereunder shall abate as of the time of such damage or destruction and shall henceforth cease until such time as the said premises are fully restored. If, within twelve (12) months after the time of such damage or destruction, said premises shall not have been repaired or reconstructed, Concessionaire may cancel this Agreement in its entirety as of the date of such damage or destruction. Notwithstanding the foregoing, if the said premises, or a substantial portion thereof, is completely destroyed as a result of the act or omission of Concessionaire, its subcontractors, agents or employees, said fees and charges shall not abate and the Board may, in its discretion, require Concessionaire to repair and reconstruct said premises within twelve (12) months of such destruction and pay the cost therefor, or the Board may repair and reconstruct the same within twelve (12) months of such destruction and Concessionaire shall be responsible for reimbursing the City and the Board for the cost and expense incurred in such repair.

- 12.4 It is understood that in the application of the foregoing provisions, the City's and the Board's obligations shall be limited to repair or reconstruction of the Assigned Area to the same extent and of equal quality as obtained by Concessionaire at the commencement of its operations hereunder. Redecoration and replacement of furniture, equipment and supplies shall be the responsibility of the Concessionaire and any such redecoration and refurbishing and re-equipping shall be equivalent in quality to that originally installed.

ARTICLE XIII GENERAL PROVISIONS

13.1 Nondiscrimination.

- a. Concessionaire, for itself, its personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree: (1) that no person, on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicap, shall be excluded from participation, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities; (2) that in the construction of any improvements and the furnishing of services, no person on the grounds of race, color, creed, political ideas, sex, age, or physical or mental handicaps, shall be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination; (3) that Concessionaire shall use the Assigned Areas in compliance with all other requirements imposed by or pursuant to Title 49, Code of Federal Regulations, Department of Transportation, Subtitle A, Office of the Secretary Part 21, Nondiscrimination in Federally Assisted Programs of the Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations may be amended; (4) that should the Board provide handicapped accessible ingress and egress in specific locations, Concessionaire shall not block or close or otherwise cause the accessway to be nonfunctional without providing an alternative means of access approved in writing by the Director.

b. Concessionaire acknowledges and agrees:

- i. This Agreement is subject to the requirements of the U.S. Department of Transportation's regulations, 49 CFR Part 23. Concessionaire agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement, management contract, or subcontract, purchase or lease agreement, or other agreement covered by 49 CFR Part 23.
 - ii. Concessionaire agrees to include the above statements in any subsequent concession agreement or contract covered by 49 CFR Part 23, that it enters and cause those businesses to similarly include the statements in further agreements.
- c. Concessionaire shall furnish its services on a fair, equal, and nondiscriminatory basis to all users thereof.
- d. Noncompliance shall constitute a default hereof, and in the event of such noncompliance, within a reasonable period of time, the Board shall have the right to terminate this Agreement.

13.2 Federal Aviation Act, Section 308.

Nothing herein contained shall be deemed to grant Concessionaire any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act or the conduct of any activity on the Airport, except that, subject to the terms and conditions hereof, Concessionaire shall have the right to use the Assigned Areas, Service Center, and Counter and Ready/Return areas within the CONRAC under the provisions of this Agreement.

13.3 Subordination to Agreements With the United States Government.

This Agreement is subject and subordinate to the provisions of any agreement heretofore or hereafter made between the City and/or the Board and the United States Government, relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or property to the City for Airport purposes, or the expenditure of federal funds for the improvement or development of the Airport, including the expenditure of federal funds for the development of the Airport in accordance with the provisions of the Federal Aviation Act of 1958, as it has been amended from time to time. The Board covenants that it has no existing agreements with the United States Government in conflict with the express provisions hereof.

13.4 Compliance.

Concessionaire, its officers, agents, servants, employees, contractors, licensees, and any other person over which Concessionaire controls or has the right to control shall comply

with all present and future laws, ordinances, orders, directives, rules, and regulations of the Federal, State, Parish and Municipal governments which may be applicable to its operations at the Airport.

13.5 Payment of Taxes.

Concessionaire shall pay, or in good faith contest, on or before their respective due dates, to the appropriate collecting authority, all Federal, State, and local taxes and fees, which are now or may hereafter be levied upon the premises, or upon Concessionaire, or upon the business conducted on the premises, or upon any of Concessionaire's property used in connection therewith; and shall have and maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by Concessionaire.

13.6 Notices.

Notices required herein may be given by registered or certified mail, or by express delivery, by depositing the same in the United States mail or in the continental United States, postage prepaid, or through an express delivery provider, charges prepaid. Either party shall have the right, by giving written notice to the other, to change the address at which its notices are to be received. Until any such change is made, notices delivered via the U.S. Postal Service to the City and/or the Board shall be delivered as follows:

*Director of Aviation
Louis Armstrong New Orleans International Airport
PO Box 20007
New Orleans, Louisiana 70141*

Until any such change is made, notices delivered via express delivery to the City and/or the Board shall be delivered as follows:

*Director of Aviation
Louis Armstrong New Orleans International Airport
900 Airline Drive, Room 306
Kenner, Louisiana 70062
Phone: (504) 464-3536*

13.7 Captions.

The headings of the several articles of this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of any provisions of this Agreement and shall not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

13.8 Severability.

If one or more clauses, sections, or provisions of this Agreement shall be held to be unlawful, invalid, or unenforceable, it is agreed that the remainder of this Agreement shall not be affected thereby.

13.9 Agent for Service of Process.

It is expressly understood and agreed that if Concessionaire is not a resident of the State of Louisiana, or is an association or partnership without a member or partner resident of said State, or is a foreign corporation, Concessionaire will appoint an agent for service of process in the Parish of Orleans. Due to any failure or inability on the part of said agent to perform, Concessionaire does hereby designate the Secretary of State, State of Louisiana, its agent for the purpose of service of process in any court action between it and the City or the Board arising out of or based upon this Agreement, and the service shall be made as provided by the laws of the State of Louisiana for service upon a non-resident.

13.10 Waiver of Claims.

Concessionaire hereby waives any claim against the City, the Board, and the State of Louisiana and its officers, or employees for loss of anticipated profits caused by any suit or proceeding directly or indirectly attacking the validity of this Agreement or any part thereof, or by any judgment or award in any suit or proceeding declaring this Agreement null, void or voidable, or delaying the same or any part thereof from being carried out.

13.11 Right to Develop Airport.

It is further covenanted and agreed that the Board reserves the right to further develop or improve the Airport and all landing areas and taxiways as it may see fit, regardless of the desires or views of Concessionaire and without interference or hindrance by Concessionaire.

13.12 Incorporation of Required Provision.

The parties incorporate herein by this reference all provisions lawfully required to be contained herein by any governmental body or agency.

13.13 Relationship of Parties.

Concessionaire herein expressly agrees and acknowledges it is an independent contractor as defined in R.S. 23:1021 and as such, it is expressly agreed and understood between the parties hereto that the Board shall not be liable to Concessionaire for any benefits or coverage as provided by the Worker's Compensation Law of the State of Louisiana and further, under the provisions of R.S. 23:104, anyone employed by Concessionaire shall not be considered an employee of the Board for the purpose of Worker's Compensation coverage. Nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, partners, joint

venturers, or any other similar such relationship, between the parties hereto. The parties shall understand and agree that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties hereto creates a relationship other than the relationship of Board and Concessionaire.

13.14 Liability of Agents or Employees.

No member, officer, agent, director, or employee of the City or the Board shall be charged personally or held contractually liable by or to the other party under the provisions of this Agreement or because of any breach thereof or because of its or their execution or attempted execution.

13.15 Successors and Assigns Bound.

This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Board and, provided the Board has consented to any assignment or succession as provided in this Agreement, of Concessionaire.

13.16 Right to Amend.

In the event that the Federal Aviation Administration or its successor(s) require modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, Concessionaire agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Agreement as may be required.

13.17 Time of Essence.

Time is of the essence in this Agreement.

13.18 Jurisdiction/Venue.

All disputes arising out of this Agreement or Concessionaire's activities hereunder shall be interpreted and decided in accordance with the laws of the State of Louisiana. The parties further agree that any and all claims under this Agreement shall be heard in courts located in the Parish of Orleans, Louisiana.

13.19 Gender.

Words of any gender used in this Agreement shall be held and construed to include any other gender and words in the singular number shall be held to include the plural, unless the context otherwise requires.

13.20 Force Majeure.

Neither party hereto shall be liable to the other for any failure, delay, or interruption in the performance of any of the terms, covenants, or conditions of this Agreement due to causes beyond the control of that party including, without limitation, strikes, boycotts, labor disputes, embargoes, acts of God, acts of a public enemy, acts of superior governmental authority, weather conditions, floods, riots, rebellion, or sabotage.

13.21 Representative of the Board.

The Director of Aviation shall be designated as the official representative of the Board in all matters pertaining to this Agreement and shall have the right and authority to act on behalf of the Board with respect to all those actions set forth herein as actions to be carried out at the Director's discretion.

13.22 Airport Security.

Concessionaire shall comply with all Board, TSA and FAA security directives, rules and regulations, in effect as of the Effective Date or as may be modified or enacted from time to time throughout the Term. Concessionaire understands and agrees that fines and/or penalties may be assessed by the TSA or FAA for Concessionaire's noncompliance with the provisions of 49 CFR Parts 1540 and 1542 entitled "Airport Security" or by other agencies for noncompliance with regulations applicable to Concessionaire's operations. In the event the Board shall be subject to any fine or penalty by reason of any violation at the Airport of any such rule, regulation or standard, the Board may conduct an investigation and make a determination as to the identity of the party responsible for the violation. If it is determined by the Board that Concessionaire, or any party for which Concessionaire is liable under this Agreement, is responsible for all or part of the fine or penalty, the Concessionaire shall pay said amount of the fine or penalty.

13.23 Surrender of Assigned Areas.

Upon termination of its leasehold interests in any portion of the Assigned Areas as of the DBO of the Service Centers or DBO of the CONRAC, as the case may be, or earlier cancellation of this Agreement, Concessionaire shall peaceably vacate the Assigned Areas on the date of such termination or cancellation. Said Assigned Areas shall be returned in as good order and condition as existed on the Effective Date, reasonable wear and tear expected. Concessionaire shall remove all furnishings, equipment and other property from Assigned Areas; provided, however, the Board shall have a specific lien on all Concessionaire's property as security for payment of all rentals, fees, and charges then due. The Board shall further have the right to require that Concessionaire remove all improvements, if any, located on the Assigned Areas within thirty (30) calendar days of such date of termination or cancellation, all at no cost to the City or the Board.

13.24 Audit and Other Oversight.

Concessionaire understands and will abide by all provisions of the Code of the City of New Orleans, Chapter 2, Art. XIII, Sect. 2-1120, as adopted by City Ordinance No. 22,888 M.C.S., (relative to the operations and authority of the City Inspector General), incorporated herein by reference.

**ARTICLE XIV
ENTIRE AGREEMENT**

- 14.1 The parties hereto understand and agree that this instrument constitutes the entire Agreement between the parties. The parties further understand and agree that neither party nor its agents have made representations or promises with respect to this Agreement except as expressly set forth herein; and that no claim or liability shall arise for any representations or promises not expressly stated in or required by this Agreement, and any written or oral agreement with the other party not expressly required by this Agreement being expressly waived.

Signature Page Follows

IN WITNESS WHEREOF, the parties hereto have executed these presents through their respective officers duly authorized so to do by action of the New Orleans Aviation Board and the City Council of the City of New Orleans on the dates reflected under their respective signatures below to be effective as provided in the first paragraph hereof.

CONCESSIONAIRE

Attest:

By: _____ By: _____

Title: _____ Title: _____

Date: _____ Date: _____

NEW ORLEANS AVIATION BOARD

Attest:

By: _____ By: _____

Sean C. Hunter, Director of Aviation

Daniel F. Packer, Jr., Chairman

Date: _____ Date: _____

Attest:

CITY OF NEW ORLEANS

By: _____ By: _____

Reginald Zeno, Director of Finance

C. Ray Nagin, Mayor

Date: _____ Date: _____

**EXHIBIT A
TERMINAL COUNTER/OFFICE LOCATION**

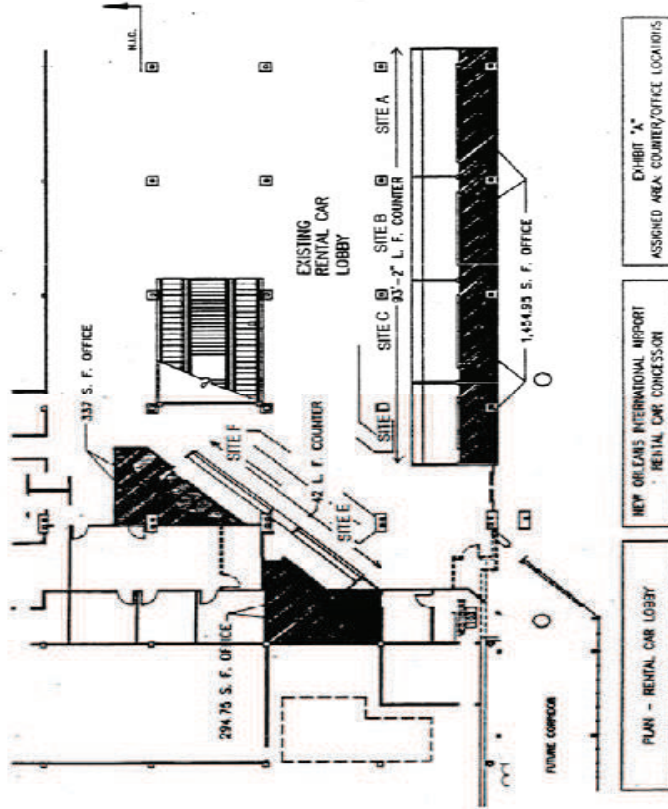
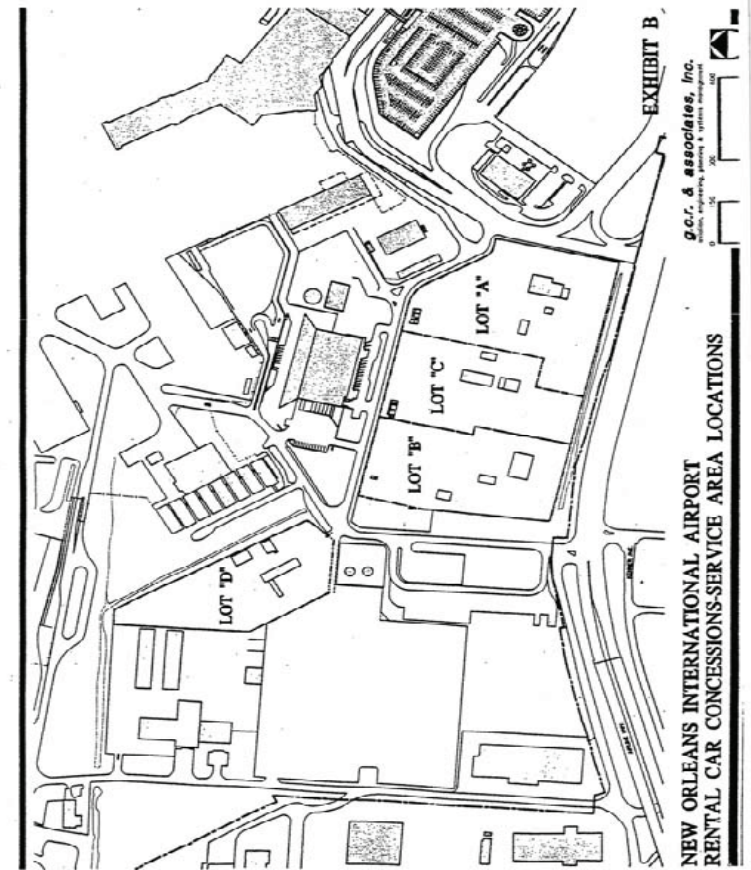
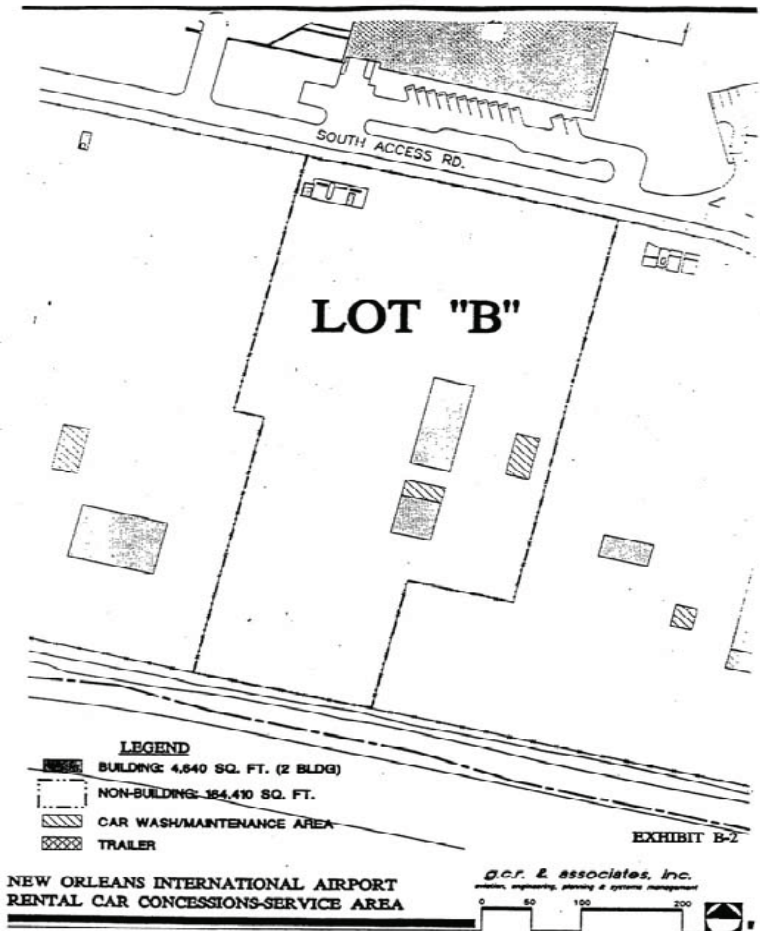
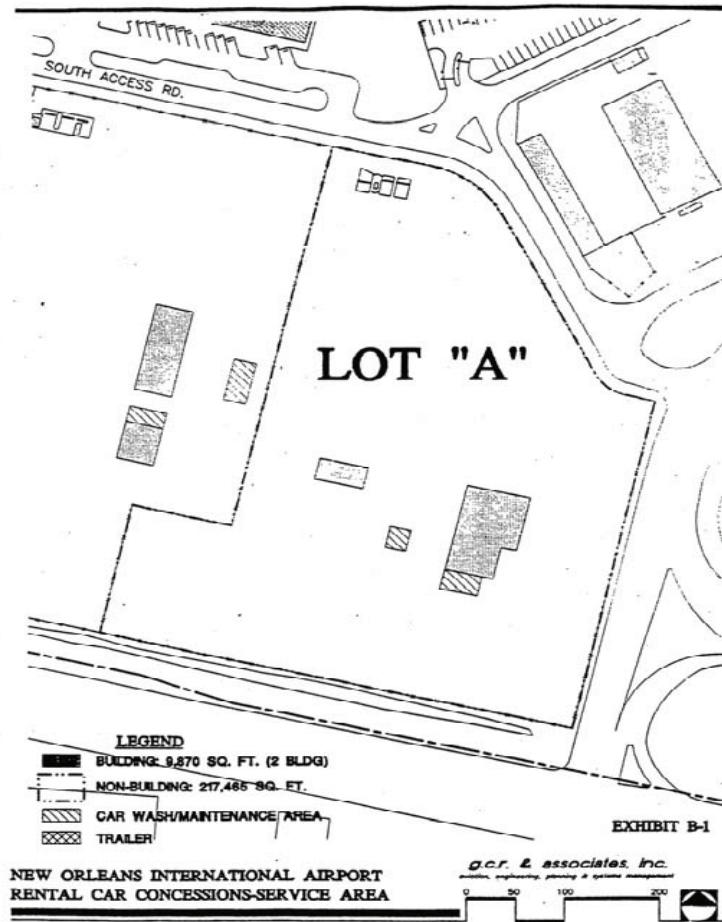


**EXHIBIT B
SERVICE AREA LOCATIONS**



C-27



C-28

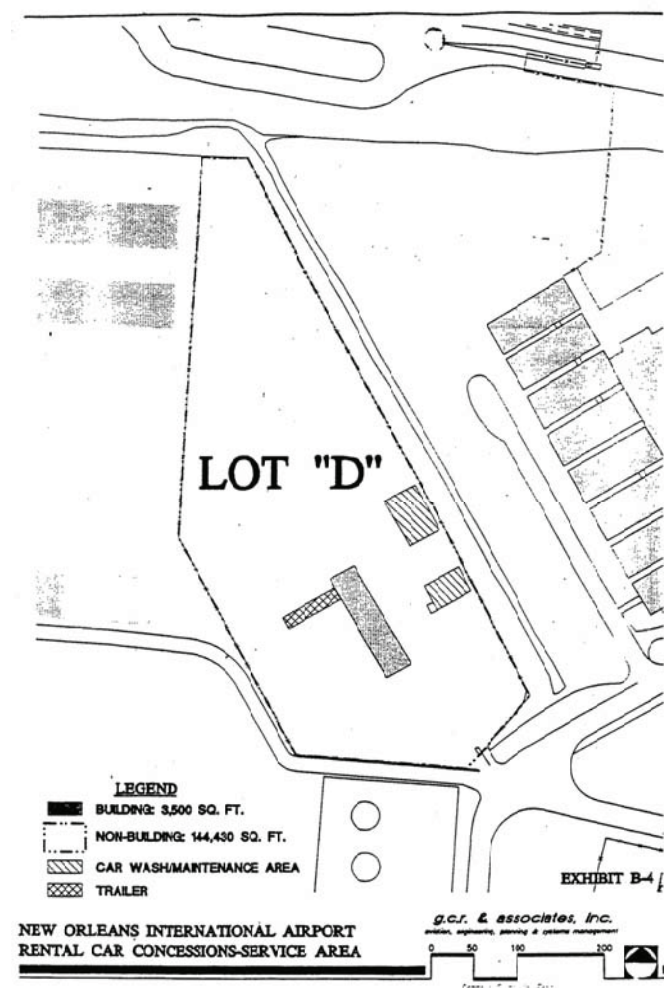
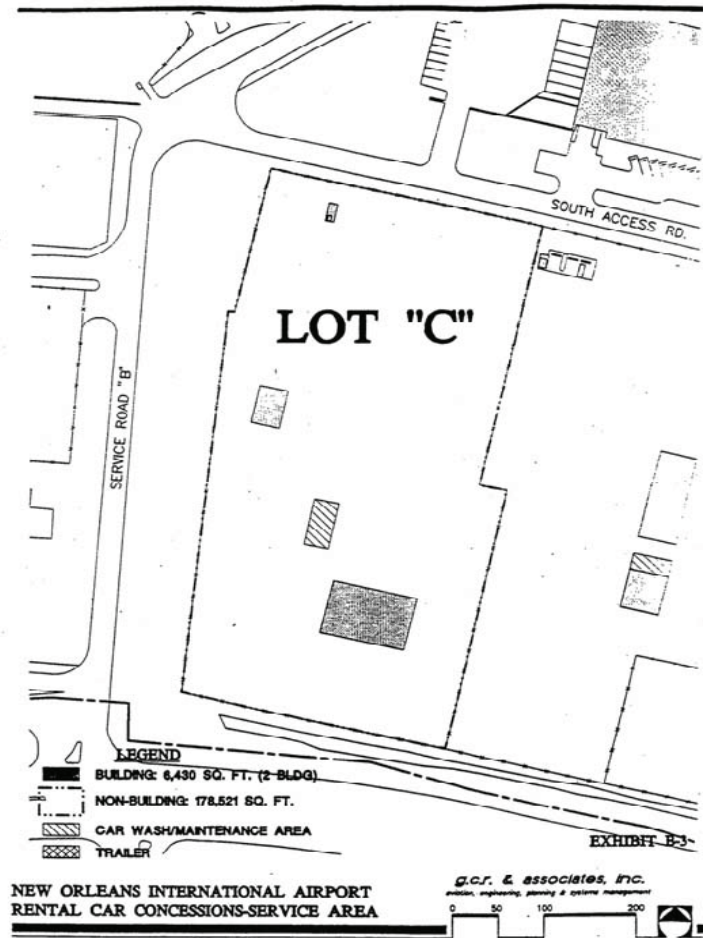
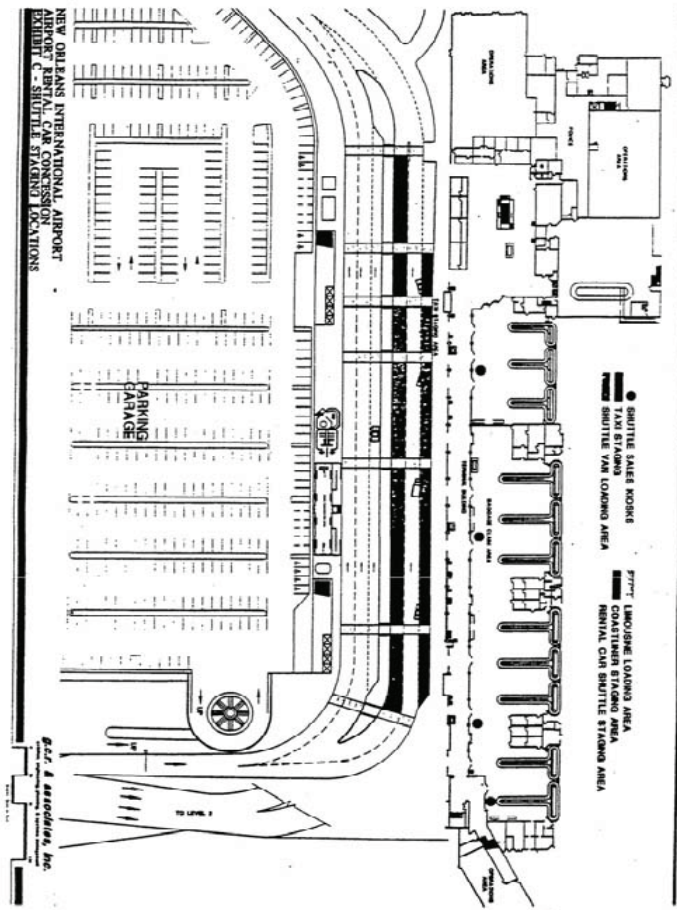


**EXHIBIT C
SHUTTLE STAGING LOCATION**



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**EXHIBIT D
ACDBE PLAN**

NEW ORLEANS INTERNATIONAL AIRPORT

DISADVANTAGED BUSINESS ENTERPRISE (DBE)

PLAN FOR CONCESSIONS

Section One - Overview

A. INTRODUCTION

The City of New Orleans is the owner of the New Orleans International Airport (NOIA), and operates it under the auspices of the New Orleans Aviation Board. As a recipient of grants for airport development, the NOAB has developed this Disadvantaged Business Enterprise (DBE) Plan for use with concessions at NOIA. This complies with regulations promulgated by the U.S. Department of Transportation, 49 CFR part 23, Subpart F, and is a condition of the grant agreement authorized under the Airport Improvement Program (AIP) of the Federal Aviation Administration.

The overall DBE goal in this Plan is calculated as a percentage of the estimated gross receipts from all concessions, and has been set at thirty-five percent for the first year. This Plan will be updated annually.

B. DEFINITIONS

1. Affiliates

Concerns are affiliated with each other, either directly or indirectly, when:

- One concern controls or has the power to control the other, or
- A third party or parties control or has the power to control both, or
- An "identity" of interest between or among parties exists such that affiliation may be found.

In determining whether affiliation exists, consideration will be given to all appropriate factors, including common ownership, common management, and contractual relationships.

2. Concession

A for-profit business enterprise, located at the airport, that is engaged in the sale of consumer products or services to the public under an agreement with NOIA, another concessionaire, or the owner of a terminal, if other than NOAB. Businesses which conduct an aeronautical activity are not considered concessionaires. Aeronautical activities include scheduled and non-scheduled air carriers, air taxis, air charters and air couriers, in their normal passenger or freight conveying capacities; fixed base operators, flight schools; and sky-diving, parachute, jumping, flying guide services and helicopter or air tours. A concession may be operated under various types of agreements, including, 1) a lease, 2) a license, 3) permit, 4) contract or 5) another instrument or arrangement.

3. Concessionaire

An individual, partnership or corporation that operates a concession.

4. Disadvantaged Business Enterprise (DBE)

A small business concern:

- which is at least 51 percent owned by one or more socially and economically disadvantaged individuals, or, in the case of any publicly owned business, at least 51 percent of the stock of which is owned and controlled by one or more socially and economically disadvantaged individuals; and
- whose management and

daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.

5. Material Amendment

A substantial change to the basic rights or obligations of the parties to a concession agreement. Examples of material amendments include an extension of the term not provided for in the original agreement, or a substantial increase in the scope of the concession privilege. Examples of nonmaterial amendments include a change in the name of the concessionaire or a change in the due date of payments.

6. Small Business Concern

A firm, including all its domestic and foreign affiliates, that meet the applicable size standard set forth in 49 CFR part 23 Subpart F, Appendix A. In making a size determination, all affiliates, regardless of whether organized for profit, must be included.

In the event that a firm qualifies under the above definition (after August 31, 1993) and subsequently exceeds the size standard after entering a concession agreement, it may continue to count as a DBE concessionaire until the current agreement, including the exercise of options, expires, provided that the firm otherwise remains eligible as a DBE. Any adjustments that the DOT makes to the size standards in Subpart F to account for inflation will automatically be incorporated into this plan.

A firm that was certified as a minority/woman/disadvantaged business enterprise (MBE/WBE/DBE) prior to August 31, 1993, pursuant to a requirement in 49 CFR Part 23.4(d), or to FAA guidelines implementing Section 511(a)(17) of the Airport and Airway Improvement Act of 1982, as amended, that has exceeded the size standard, may be counted as DBE participation until the current agreement, including the exercise of options, expires, provided that the firm remains otherwise eligible to be certified as a DBE.

7. Socially and Economically Disadvantaged Individuals

Any person having a current Section 8(a) certification from the Small Business Administration is considered to be socially and economically disadvantaged. However, NOIA will require substantiating documentation of such certification in advance of accepting certification. NOIA further makes a rebuttable presumption that individuals in the following groups who are citizens of the United States or lawful permanent residents are socially and economically disadvantaged:

- Women;

- Black Americans, which includes person having origins in any of the Black racial groups of Africa;
- Hispanic Americans, which includes persons of Mexican, Puerto Rican, Cuban, Central, or South American, or other Spanish or Portuguese culture or origin, regardless of race;
- Native Americans, which includes persons who are American Indian, Eskimo, Aleut, or Native Hawaiian;
- Asian-Pacific Americans, which includes persons whose origins are from Burma, Thailand, Malaysia, Indonesia, Singapore, Brunei, Japan, China, Taiwan, Laos, Cambodia, the Philippines, Samoa, Guam, the U.S. Trust Territories of the Pacific Islands (Republic of Palau), Republic of the Marshall Islands, Federated States of Micronesia, or the Commonwealth of the Northern Mariana Islands; and
- Asian-Indian Americans, which includes persons whose origins are from India, Pakistan, Bangladesh, Sri Lanka, Bhutan, the Maldives Islands, or Nepal.
- Members of other groups found to be disadvantaged by the SBA under Section 8(a) of the Small Business Act.

NOIA generally assumes that business owners who fall into one of these groups are socially and economically disadvantaged. Their disadvantaged status generally will not be investigated, unless a third-party challenge is made.

NOIA may determine, on a case-by-case basis, that other individuals are socially and economically disadvantaged. If an individual requests that his or her firm be certified as a DBE, NOIA, as part of the certification process, will determine whether that individual is socially and economically disadvantaged under the criteria in 49 CFR Part 23, Subpart D Appendix C. These owners must demonstrate that their disadvantaged status arose from individual circumstances, rather than by virtue of membership in a group.

Section Two Program Outline

A. CERTIFICATION PROCEDURES

1. **Certification Procedures**
NOAB will count only firms that have been certified in accordance with this plan toward meeting the overall annual goals. Each business, including the DBE partner in a joint venture who wishes to participate as a DBE in a concession at NOAB must complete and submit Schedule A. Each business wishing to participate as a joint venture must additionally complete Schedule C. The schedule(s) must be signed by an authorized representative of the business and then duly notarized.

NOAB will not levy any fee in connection with an application for certification. However, it may require potential DBE firms to pay a fee for a business license required under state or local authority, provided that all firms, both DBE and non-DBE, are subject to this requirement.

A firm seeking to be certified as a DBE is not required to submit Schedule A or B if any of the following applies:

a) The potential DBE firm has been determined by the Small Business Administration to be owned and controlled by socially and economically disadvantaged individuals under Section 8(a) of the Small Business Act. However, a Section 8(a) firm is required to submit information that will enable NOAB to determine whether it meets the applicable size standard.

b) The potential DBE has been certified under a different certification process approved by the DOT. In these instances, the firm must submit the information required by that process.

NOAB will take at least the following steps in determining whether a firm is an eligible DBE:

a) Obtain the resumes or work histories of the principal owners of the firm and personally interview these individuals.

b) Analyze the ownership of stock in the firm, if it is a corporation.

c) Determine the work history of the

firm, including any concession contracts it may have received.

d) Obtain or compile a list of the licenses of the firm and its key personnel to perform the concession contracts it wishes to receive.

e) Obtain a statement from the firm on the type of concession it prefers to operate.

2. On-site certification visits

Prior to making a certification determination, NOAB may perform an on-site visit to the office of the firm and to any of its facilities that may be necessary to validate the certification information obtained from the firm. On-site visits are not mandatory but will be conducted when needed to validate the information supplied by the applicant.

3. Pre-certification

Subject to the conditions listed below, NOAB may implement a pre-certification process. Under these procedures, a firm applying for certification may be required to submit its Schedule A and/or Schedule B prior to when it is named as a potential DBE participant in a proposal or bid. This procedure will allow NOAB to develop a listing or "pool" of certified DBE's, from which proposers or bidders may be required to select in an effort to meet specific concession goals. Prior to employing pre-certification, NOAB will obtain written approval from the responsible FAA region and will fulfill the following conditions:

a) NOAB will give potential DBE firms notice of the pre-certification procedures sufficiently in advance of awarding the concession agreement to allow for an eligibility determination. Such notices or advertisements will be provided in the geographical area in which NOAB seeks DBE firms.

b) Notification or pre-certification procedures will be included in the following mechanisms, as applicable:

In notices announcing concession opportunities and in other outreach materials and presentations made by NOAB as part of its DBE concession plan.

At pre-solicitation meetings for concession contracts and in the solicitation documents.

In annual announcements specially for the purpose of advising DBE's of the pre-certification requirement.

4. Certification standards

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NOAB will use the following standards to determine whether a firm is owned and controlled by socially and economically disadvantaged individuals.

a) **Bona fide membership in a group of socially and economically disadvantaged individuals** must be established on the basis of the applicant's claim that he or she is a member of such group and is so regarded by the particular disadvantaged community. However, NOAB is not required to accept the claim if it is determined to be invalid.

Proof of minority alone is not conclusive evidence of membership in a group of socially and economically disadvantaged individuals. The fact that a person's grandfather or other relative belonged to none of these groups does not necessarily qualify the applicant as a member for purposes of DBE certification. If the individual has not held himself or herself out to be a member of the community of disadvantaged individuals, and has not been identified by persons in the population at large as a member of the group, the individual should not be considered as belonging to that disadvantaged group for purposes of DBE certification.

b) An eligible DBE must be an independent business. The ownership and control by disadvantaged persons must be real, substantial, and continuing and must go beyond the *pro forma* ownership of the firm as reflected in its ownership documents. The disadvantaged owners must enjoy the customary incidents of ownership and must share in the risks and profits commensurate with their ownership interest, as demonstrated by an examination of the substance rather than form of arrangements. Recognition of the business as a separate entity for tax or corporate purposes is not necessarily sufficient for recognition as a DBE. In determining whether a potential DBE is an independent business, NOAB will consider all relevant facts, including the date the business was established, the adequacy of its resources for the work of the contract, and the degree to which financial, equipment, leasing, and other relationships with non-DBE firms vary from industry practice.

c) The disadvantaged owners must also possess the power to direct or cause the direction of the management and day-to-day, as well as major decisions on matters of management, policy, and operations. The firm must not be subject to any formal or informal restrictions which limit the customary discretion of the disadvantaged owners. There must not be restrictions through, for example, bylaw provisions, partnership agreements, or charter requirements for cumulative voting rights that prevent the disadvantaged owners, without the cooperation or vote of any owner who is not socially and economically disadvantaged, from making a business decision of the firm.

d) If the owners of the firm who are not socially and economically disadvantaged are disproportionately responsible for the operation of the firm, then the firm is not controlled by socially and economically disadvantaged individuals and is not eligible for certification. Where the actual management of the firm is contracted out to individuals other than the owner, the persons having the ultimate power to hire and fire the managers are considered as controlling the business.

e) All securities which constitute ownership and/or control of a corporation for the purpose of establishing it as a DBE must be held directly by socially and economically disadvantaged individuals. No securities held in trust, or by any guardian for a minor, shall be considered as held by socially and economically disadvantaged individuals in determining the ownership or control of a corporation.

f) The contributions of capital or expertise by the socially and economically disadvantaged individuals to acquire their interests in the firm shall be real and substantial. Examples of insufficient contributions include a promise to contribute capital, a note payable to the firm or its owners who are not socially and economically disadvantaged, or the mere participation as an employee, rather than as manager.

g) In addition to the above standards, special consideration will be given to the following circumstances:

Newly formed firms and firms whose ownership and/or control has changed since the date of the advertisement of the concession will be closely scrutinized to determine the reasons for the timing of the formation or change in the firm.

A previous and/or continuing employer-employee relationship between or among present owners is carefully reviewed to ensure that the employee-owner has management responsibilities and capabilities.

Any relationship between a DBE and a non-DBE which has an interest in the DBE will be carefully reviewed to determine if the interest of the non-DBE conflicts with the requirements for ownership and control.

h) A joint venture will be certified if the DBE partner of the joint venture meets the eligibility

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standards, is responsible for a clearly defined portion of the work to be performed, and shares in the ownership, control, management responsibilities, risks, and profits of the joint venture.

i) A joint venture is eligible to compete in a DBE set-aside if the DBE partner of the joint venture meets the eligibility standards, the DBE partner's share in the ownership, control, management responsibilities, risk, and profits of the joint venture is at least 51 percent, and the DBE partner is responsible for a clearly defined portion of the work to be performed.

j) A business applying for certification as a DBE or as a joint venture DBE must cooperate with NOAB in supplying any additional information which may be requested in order to make a determination. For example, the applicant may be required to provide income tax statements.

k) The NOAB will safeguard from disclosure to unauthorized persons any information that reasonably may be regarded as confidential business information, consistent with Federal, state, and local laws.

l) Once certified, a DBE will be required to update its submission annually by submitting a new Schedule A or certifying that the Schedule A on file is still accurate. Firms will be notified upon certification that a new Schedule A must be submitted whenever there is a change in the firm's ownership or control. Businesses operating under the following structures may be eligible for certification as a DBE:

Sole proprietorships
Corporations
Partnerships
Other structures that provide for ownership and control by the socially and economically disadvantaged owners

5. Franchise and License Agreements

A business operating under a franchise (or license) agreement may be certified if it meets the standards outlined above and the franchisor is not an affiliate with the franchisee as defined in Section 1(A) above. In determining whether affiliation exists, the restraints relating to standardized quality, advertising, accounting format, and other provisions imposed on a franchisee by its franchise agreement generally will not be considered, provided that the franchisee has the right to profit from its efforts and bears the risk of loss commensurate with ownership. Alternatively, even though a franchisee may not be controlled by the franchisor by virtue of such provisions in the franchise agreement, control, and therefore affiliation, could arise through other means, such as common management or

excessive restrictions upon the sale of the franchise interest.

6. Arrangements not eligible for certification Businesses operating under the following arrangements are not eligible for certification as a DBE:

a) Limited partnerships, in which a non-DBE is the general partner.

b) Other arrangements that do not provide for ownership and control by the socially and economically disadvantaged owners.

B. APPEAL AND CHALLENGE PROCEDURES

1. Challenge to Status

Any third party may present written evidence to NOAB challenging whether a firm's owners who are presumed to be socially and economically disadvantaged are truly disadvantaged. If a challenge is made to the owners of an R(a) firm, NOAB will refer the information or question to the SBA for resolution. When NOAB receives a written challenge, a determination of social and economic disadvantage will be made. NOAB itself also may initiate an inquiry.

Whenever a challenge is made, NOAB will observe the procedural guidelines in 49 CFR part 23.69. These procedures are informal in that strict rules of evidence do not apply. In making a determination, NOAB will use Appendix C, 49 CFR part 23. During the pendency of the challenge, the presumption of social and economic disadvantage will continue, and if the firm has been certified, it will continue to be eligible as a DBE.

2. Decertification

Whenever the NOAB believes that a firm with a current certification is no longer eligible to participate in the program, the firm will be afforded due process prior to any revocation of its certification. The steps to be used are as follows:

a) A letter will be sent to the firm, stating that NOAB is contemplating decertification. A brief description of the reasons for the proposed action will be included.

b) The firm will be given an opportunity to respond in person and in writing to present information and arguments. An informal meeting or hearing may be part of the process, but a formal adversary proceeding will not be used.

3. Certification appeals

When NOAB denies certification or

completes decertification, it will advise the firm that an appeal may be filed with the office named below. An appeal must be in writing, dated and signed, and must be filed within 180 days after the action, unless the time frame is extended by DOT.

Departmental Office of Civil Rights (DOCR)
Department of Transportation
400 7th Street, Southwest
Washington, D.C. 20590

The denial of certification by the NOAB shall be final for the particular contract and any other contracts being let at the time of the denial (except when the Department of Transportation reverses the denial, following an appeal). Firms denied certification may correct deficiencies in their ownership and control and reapply for certification only for future contracts.

4. Effect of DOCR Decisions

Decisions rendered by DOCR may be utilized by the NOAB to such extent possible. These decisions apply only to the actions that were initiated and does not bind the NOAB to make the same judgment concerning a firm's eligibility. If the NOAB certifies a firm that is adversely affected by a DOCR decision, the NOAB may re-examine its records to determine if the decision raises a certification issue. Since firms sometimes reorganize or otherwise restructure their ownership or control, NOAB will make its own decision based on the record before it.

5. Re-entry into the DBE program

A firm's eligibility as a DBE will be based on its size status at the time it seeks to participate as a DBE concessionaire. It is not relevant that a firm's annual average gross receipts, for example, exceeded the specified size limit for three fiscal years other than the most recent previous, fiscal years from the application date.

A firm that has exceeded the size standard at some point in the past and rendered ineligible, may nonetheless be currently eligible if it is within the size standard for the three most recent, previous years. Therefore, a firm may be eligible to "re-enter" NOAB's DBE program even though it may have "graduated" from the R(a) program.

The regulations of the SBA at 13 CFR 124.108(c) generally do not allow a firm that participated in the SBA's Section 8(a) program to reapply for participation, once the firm has exited by termination, graduation, voluntary withdrawal, or expiration of its program term (currently set at maximum of 9 years). This program has no such limitation, however.

C. GOOD FAITH EFFORTS

NOAB has implemented processes and procedures to ensure good faith efforts towards the achievement of the overall goals of this concession plan. The efforts include but are not limited to the following:

Identifying and soliciting DBE's who may be interested in participating as concessionaires.

Notifying and soliciting DBE organizations of concession opportunities and encouraging their membership to compete, when appropriate.

Informing all competitors for concession opportunities of all DBE requirements during pre-solicitation meetings.

Providing a listing/directory of all available DBE firms to all competitors to assist them in meeting DBE requirements.

When practical, exploring and structuring contracting activities and methods of award so as to encourage and facilitate DBE participation.

Including DBE requirements in proposal and contractual documents, etc., to ensure compliance.

1. Obligations of concessionaires and competitors

When options to renew such agreements are exercised or when a material amendment is to be made, NOAB will assess potential for DBE participation and include any opportunities in the goals.

NOAB may impose requirements on competitors for concession agreements as a means of achieving the overall DBE goals or a portion of the goals, provided that the DBE participation specified in the solicitation or other request is an eligible arrangement.

When a specific DBE contract goal is established, NOAB will include a clause in the solicitation notifying competitors of the DBE requirements. A competitor that fails to achieve the goal will be required to submit documentation substantiating that it made the maximum effort possible in attempting to do so, or that it would not be economically feasible to enter into either a sublease, joint venture, partnership, or other qualifying arrangement.

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Department of Transportation
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Decisions rendered by DOCR may be utilized by the NOAB to such extent possible. These decisions apply only to the actions that were initiated and does not bind the NOAB to make the same judgment concerning a firm's eligibility. If the NOAB certifies a firm that is adversely affected by a DOCR decision, the NOAB may re-examine its records to determine if the decision raises a certification issue. Since firms sometimes reorganize or otherwise restructure their ownership or control, NOAB will make its own decision based on the record before it.

5. Re-entry into the DBE program

A firm's eligibility as a DBE will be based on its size status at the time it seeks to participate as a DBE concessionaire. It is not relevant that a firm's annual average gross receipts, for example, exceeded the specified size limit for three fiscal years other than the most recent previous, fiscal years from the application date.

A firm that has exceeded the size standard at some point in the past and rendered ineligible, may nonetheless be currently eligible if it is within the size standard for the three most recent, previous years. Therefore, a firm may be eligible to "re-enter" NOAB's DBE program even though it may have "graduated" from the R(a) program.

The regulations of the SBA at 13 CFR 124.108(c) generally do not allow a firm that participated in the SBA's Section 8(a) program to reapply for participation, once the firm has exited by termination, graduation, voluntary withdrawal, or expiration of its program term (currently set at maximum of 9 years). This program has no such limitation, however.

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NOAB has implemented processes and procedures to ensure good faith efforts towards the achievement of the overall goals of this concession plan. The efforts include but are not limited to the following:

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Notifying and soliciting DBE organizations of concession opportunities and encouraging their membership to compete, when appropriate.

Informing all competitors for concession opportunities of all DBE requirements during pre-solicitation meetings.

Providing a listing/directory of all available DBE firms to all competitors to assist them in meeting DBE requirements.

When practical, exploring and structuring contracting activities and methods of award so as to encourage and facilitate DBE participation.

Including DBE requirements in proposal and contractual documents, etc., to ensure compliance.

1. Obligations of concessionaires and competitors

When options to renew such agreements are exercised or when a material amendment is to be made, NOAB will assess potential for DBE participation and include any opportunities in the goals.

NOAB may impose requirements on competitors for concession agreements as a means of achieving the overall DBE goals or a portion of the goals, provided that the DBE participation specified in the solicitation or other request is an eligible arrangement.

When a specific DBE contract goal is established, NOAB will include a clause in the solicitation notifying competitors of the DBE requirements. A competitor that fails to achieve the goal will be required to submit documentation substantiating that it made the maximum effort possible in attempting to do so, or that it would not be economically feasible to enter into either a sublease, joint venture, partnership, or other qualifying arrangement.

EXHIBIT E

CONCESSIONAIRE'S BID

2. DBE Clauses for Concession Agreements
The following language will be inserted in all concession agreements executed after August 31, 1993.

"This agreement is subject to the regulations of the U.S. Department of Transportation, 49 CFR Part 23, Subpart F. The concessionaire agrees that it will not discriminate against any business owner because of the owner's race, color, national origin, or sex in connection with the award or performance of any concession agreement covered by 49 CFR part 23, Subpart F.

The concessionaire agrees to include the above statements in any subsequent concession agreements that it enters and cause those businesses to similarly include the statements in further agreements."

3. Prohibition on long-term, exclusive concession agreements

The NOAB will not enter into long-term, exclusive concession agreements with either DBE or non-DBE firms, unless approval is given by the responsible FAA regional civil rights officers.

D. SET-ASIDES

NOAB has determined that set-asides are legally permissible and are necessary to meet the overall goals of this plan. Therefore, consideration of selected bids or proposals will be limited to those submitted by DBE for the following concession areas:

1. car rentals
2. gift and news
3. specialty retail

As the opportunities present themselves, staff will move to designate set-asides as a part of the process for DBE involvement in these areas.

Section Three

Annual Goals And Compliance

A. CALCULATION OF GOALS

NOAB has established an overall goal for DBE participation in airport concessions for each twelve month period covered by this plan.

By dividing the estimated gross receipts earned by DBEs (dollars) by the estimated gross receipts to be earned by all concessions

(dollars) operating at the airport during the goal period. Existing agreements with DBEs and non-DBEs are included in the computation, together with any new ones forecast for the goal period.

Overall DBE = Estimated Gross Receipts
Goal $\frac{\text{from DBEs (\$)}}{\text{Estimated Gross Receipts from All Concessions (\$)}}$

During the last twelve-month period, the New Orleans Aviation Board has achieved DBE participation of more than 10%. It should be noted, however, that the NOAB has committed to an overall annual goal of 35% DBE participation.

Every Airport concession may not be required to have DBE participation. However, in the aggregate, the DBE participation should achieve the approved goal. Consequently, every concession contribution to that goal becomes a critical evaluation criterion.

To achieve the stated goal, DBE participation can take any of the following forms:

1. DBE as sole concessionaire;
2. DBE as joint venturer
3. DBE as sublessee (providing a particular direct service

Reprinted March 18, 1996

**FACILITIES AND GROUND LEASE
FOR THE CONSOLIDATED RENTAL CAR FACILITY
AND SERVICE CENTERS
AT LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT**

06/17/09

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LIST OF EXHIBITS

Exhibit "A"	Ground for the CONRAC
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Exhibit "C"	Drawing of the Portion of Ground of CONRAC constituting Common Areas
Exhibit "D"	Drawing depicting the Common Areas of the CONRAC
Exhibit "E"	Drawing of the Exclusive Use Area of the CONRAC assigned to the Company
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Exhibit "G"	Drawing of the Ready/Return Area of the Company
Exhibit "H"	Tenant Improvement Agreement and Design Construction Guidelines

**FACILITIES AND GROUND LEASE
FOR THE CONSOLIDATED RENTAL CAR FACILITY
AND SERVICE CENTERS
AT LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT**

This FACILITIES AND GROUND LEASE ("Facilities Lease") is made and entered into this _____ day of _____, 2009, by and between the City of New Orleans, Louisiana (the "City"), acting by and through the New Orleans Aviation Board, an unattached board of the City (the "Board"), and _____, a corporation organized and existing under the State of _____ and authorized to do business in the State of Louisiana (the "State"), hereinafter referred to as the "Company".

RECITALS

WHEREAS, the Louis Armstrong New Orleans International Airport ("Airport") is owned by the City and operated and maintained by the Board;

WHEREAS, it is in the best interests of the City, the Board, the State and the individual residents of and business located within the geographic air trade area served by the Airport to encourage and assist in the development of activities relating to air transportation at the Airport in the furtherance of the civil aviation and related ground transportation needs of the public;

WHEREAS, passenger automobile rental services at the Airport are essential for proper accommodation of passengers arriving at and departing from the Airport;

WHEREAS, Company is fully qualified to conduct a car rental concession and either currently offers or plans to offer in the future passenger automobile rental services at the Airport under the provisions of a concession agreement dated June 1, 2009 ("Concession Agreement" and collectively with the other concession agreements executed by other RACs (as defined herein below) the "Concession Agreements");

WHEREAS, the Board desires (i) to construct and equip, or cause to be constructed and equipped, a new consolidated rental car facility (the "Consolidated Facility") including (a) a garage consisting of three covered levels with ready/return car parking areas accommodating in total approximately 1,800 rental cars; (b) a three (3) story customer service building containing a lobby area, rental car company office space, restrooms, and escalator and elevator access; and (c) certain infrastructure improvements to property, such as roadway improvements related to the construction and operation of such facilities (the "CONRAC") and (ii) approximately four (4) separate ground areas with improvements to be used as rental car service areas for the storage, refueling and cleaning of rental cars and rental car company employee parking (the "Service Centers") for use by the Company and other rental car companies (collectively the "Companies" or the "RACs") to offer passenger automobile rental services at the Airport each pursuant to an identical Facilities Lease (collectively the "Facilities Leases"); and (iii) to lease to the RACs the real property occupied by

the CONRAC and Service Centers as depicted on Exhibits "A" and "B" (the "Ground") for use for the principal business of offering passenger automobile rental services;

WHEREAS, the Company will be granted the right and privilege of operating at the Airport a non-exclusive concession for the rental of motor vehicles to the public, all in accordance with the terms contained in the Concession Agreement;

WHEREAS, the Board has implemented a Customer Facility Charge (the "CFC") pursuant to the CFC Resolution as defined in Section 101 hereof;

WHEREAS, the CFC was previously imposed at the rate of \$5.50 and effective June 1, 2009 will be collected at the rate of \$6.20 per Transaction Day as defined in the CFC Resolution;

WHEREAS, the Board intends and has been authorized by the City and State Bond Commission of the State to issue in its own name one or more series of revenue bonds to be secured by and payable from the revenues derived from the CFC and the amounts due as Contingent Rent and other Supplemental Facility Charges (as defined in the CFC Master Indenture defined in Section 101 hereof) by the Companies pursuant to the Facilities Leases (the "Bonds") to fund (i) a portion or all of the capital costs of the Consolidated Facility, (ii) provide all or any portion of the amount to be deposited into the Coverage Account created by the CFC Master Indenture, (iii) provide all or any portion of a debt service reserve account for the Bonds, (iv) pay all or any portion of the costs of credit enhancement for the Bonds, (v) provide capitalized interest for the Bonds and (vi) pay the costs of issuance for the Bonds;

WHEREAS, the Bonds will be issued pursuant to a CFC Master Revenue Bond Trust Indenture among the Board, the City and a trustee (the "Trustee") to be selected by the Board (the "CFC Master Indenture") as supplemented by the provisions of a First Supplemental Indenture (the "First Supplemental Indenture") and perhaps additional Supplemental Indentures relating to other future series of bonds secured by the CFC issued pursuant to the CFC Master Indenture (a "Supplemental Indenture" and collectively with the CFC Master Indenture and the First Supplemental Indenture the "Indenture");

WHEREAS, the Board intends to terminate all leasehold interests granted to the RACs (as defined herein) pursuant to the Concession Agreements for their operations in the existing rental car service areas effective as of the Date of Beneficial Occupancy (the "DBO") of the Service Centers;

WHEREAS, the Board intends to terminate all leasehold interests granted to the RACs pursuant to the Concession Agreements, respectively, for their operations in the Terminal building effective as of the DBO of the CONRAC; and

WHEREAS, the Board proposes to lease to the Company and each of the other RACs an area within the CONRAC and the Service Centers, and the Ground as consideration for the payment of certain fees, charges and rentals which are delineated within this Facilities Lease and which the parties acknowledge such area may change from time to time in accordance with this Facilities Lease, the CFC Resolution, and the Indenture.

NOW, THEREFORE, in consideration of the privileges, premises, mutual covenants and agreements herein contained, the Board and Company agree, for themselves, their successors and assigns, as follows:

ARTICLE I GENERAL

Section 101: Consideration.

The Board enters into this Facilities Lease for and in consideration of the payment by the Company as herein provided and of the performance and observance by the Company of the covenants and agreements herein.

Section 102: Incorporation of Attached Exhibits.

The Exhibits referred to herein and listed at the end of the table of contents to this Facilities Lease, have not been prepared as of the date of execution hereof but shall be deemed incorporated in this Facilities Lease by reference upon their being completed, signed by the Board and the Company to indicate their approval and the attachment of a copy thereof to this Facilities Lease.

ARTICLE II DEFINITIONS

Defined terms noted with initial capital letters not defined herein shall have the meaning set forth in the CFC Master Indenture. In addition to other terms, which are elsewhere defined in this Facilities Lease, the following terms shall have the meanings set forth in this section:

"12-Month Period"	Shall have the meaning set forth in Section 403 hereof.
"Additional Bonds"	Shall have the meaning set forth in the CFC Master Indenture and shall include "Completion CFC Bonds" as defined in the CFC Master Indenture.
"Administrative Costs"	Means the following expenses, as determined and approved by the Board, which are incurred in connection with the Bonds, the CONRAC, the Service Centers, and the Facilities Leases: (i) the ongoing fees and expenses of the Trustee, as Trustee and as paying agent and registrar for the Bonds, (ii) the ongoing fees and expenses, if any, due any Provider, (iii) the reasonable fees and expenses of Bond Counsel or other legal counsel of the Board or the Trustee, the Independent Accountant, and the Independent Airport Consultant subsequent to those included in the Costs of Issuance, (iv) the reasonable fees and expenses of the Board incurred with respect to the Airport, including, but not limited to, those of

attorneys, financial advisors, accountants, and consultants incurred in connection with any regulatory or administrative requirements, including specifically, but without limitation, the preparation and filing of annual financial statements and audits and compliance with arbitrage rebate requirements for Tax-exempt Bonds, continuing disclosure requirements, (v) the reasonable legal fees and expenses of the RACs that execute a Facilities Lease with the Board incurred with respect to defending any actions or proceedings brought by third parties challenging the CFC, as defined below, or the collection or remittance thereof under the CFC Resolution, the Facilities Leases, the Indenture and the validity of the Bonds, (vi) the costs of any insurance obtained by the Board for the purpose of insuring all or any portion of the CONRAC and the Service Centers, and (vii) such other reasonable fees and expenses of the Board relating to the Airport, including reasonable overhead expenses, in carrying out its obligations under the CFC Resolution, the Facilities Leases, the Indenture, and the Continuing Disclosure Agreement; provided however, this definition shall have the meaning set forth in the Indenture as executed.

"Administrative Costs Fund"	Means the Administrative Costs Fund established with the Trustee pursuant to Article III of the CFC Master Indenture to which any moneys credited shall only be used by the Trustee to pay Administrative Costs.
"Agreement Year"	Means a period of twelve consecutive months. The first Agreement Year shall be deemed to commence on the first day of the month following the DBO (as defined below) of the Service Centers, unless DBO is the first day of a month, in which case the Agreement Year will commence on such date.
"Air Traffic Report"	Shall have the meaning set forth in Section 302(f) hereof.
"Airport"	Means the Louis Armstrong New Orleans International Airport, as it presently exists or as it may exist in the future throughout the term of this Facilities Lease.
"Authorized Company Representative"	Means the person at the time designated to act on behalf of the Company by a written statement furnished to the Director signed by an officer of the Company.
"Beneficial Occupancy"	Means when certain facilities (the Service Centers and the CONRAC) are functionally operational based upon written notice from the Director to the Company to the effect that (i)

all necessary occupancy permits have been obtained; (ii) a reasonable period of time, as determined by the Board, has been provided to the Company for operational testing of the Service Centers and the CONRAC; and (iii) the Service Centers and the CONRAC are made available to the Company in a manner consistent with their intended use.

“Board”

Means the New Orleans Aviation Board.

“Bond Counsel”

Means the Godfrey Firm, PLC or any other law firm nationally recognized as having experience with the issuance of tax-exempt debt by or on behalf of operators of airports served by scheduled commercial air carriers.

“Bond Documents”

Means all documents relating to the issuance, sale, delivery, and security for the Bonds, including without limitation, the Bond Resolution, the Indenture, the bond purchase agreement, the Preliminary Official Statement, the Official Statement, any commitment for a bond insurance policy, any reserve fund surety bond, liquidity agreement, any reimbursement agreement, and the tax or non-arbitrage certificate.

“Bond Resolution”

Means that certain resolution adopted by the Commissioners of the Board dated February 25, 2008 captioned:

A resolution authorizing the issuance of not exceeding \$200,000,000 of tax-exempt and/or taxable bonds in one or more series to be denominated the New Orleans Aviation Board Special Facility Gulf Opportunity Zone Revenue Bonds (Consolidated Rental Car Facility Project) Series 2008; approving the form and authorizing the execution of one or more bond trust indentures providing for the issuance and security of such bonds; and providing for other matters in connection therewith.

As supplemented and amended by that certain resolution adopted by the Commissioners of the Board on November 19, 2008 captioned:

A resolution supplementing and amending the resolution adopted on February 25, 2008 authorizing the issuance of not exceeding \$200,000,000 of tax-exempt and/or taxable bonds in one or more series to be denominated the New Orleans Aviation Board Special

Facility Gulf Opportunity Zone Revenue Bonds (Consolidated Rental Car Facility Project) Series 2008 so as to redenominated such bonds as the Series 2009 Bonds, provide the maximum principal amount thereof shall be \$140,000,000, provide a final maturity date for such bonds of not more than 40 years after their issuance and a maximum rate not exceeding 9% if issued as fixed rate bonds and other matters in connection therewith.

As it shall be further supplemented to provide the final terms, conditions for such bonds.

“Bond Year”

Shall have the meaning specified in the CFC Master Indenture.

“Bonds”

Means the not exceeding \$140,000,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Facility Project) Series 2009 A and New Orleans Aviation Board CFC Revenue Bonds Series 2009 B to (i) fund the capital costs of the Consolidated Facility, (ii) provide a debt service reserve fund for the Bonds, (iii) pay costs of credit enhancement for the Bonds, (iv) provide capitalized interest for the Bonds and (v) pay costs of issuance for the Bonds, and any Additional Bonds, including Completion CFC Bonds, as defined in the CFC Master Indenture.

**“CFC” or
“Customer Facility Charge”**

Means the charge imposed and established by the Board pursuant to the CFC Resolution and collected per rental car Transaction Day pursuant to each motor vehicle rental contract entered into by the Company through its operations at the Airport, the proceeds of such charge to be remitted to the Board or its designee by the Company in accordance with Section 601 of this Facilities Lease to provide amounts to pay costs of planning, designing, financing, and constructing the CONRAC and the Service Centers, including without limitation, paying the costs of debt service on the Bonds and any other revenue bonds issued pursuant to the CFC Master Indenture.

“CFC Costs”

Means the costs in any given Bond Year that are intended to Be paid or recovered from CFC Revenues other than from Amounts on deposit in the Surplus Account of the CFC Master Indenture, as follows:

1. The annual debt service requirements of the Bonds, including principal, interest and any premium;
2. The annual Administrative Costs;
3. Any deposits to the Maintenance Reserve Fund needed in order to meet the Maintenance Reserve Fund Requirement;
4. Any deposits needed to the Coverage Fund in order to meet the Coverage Fund Requirement;
5. Any required deposits to the funds and accounts established pursuant to sub-parts (c) through (f) of Section 302 (2) of the CFC Master Indenture, including the replenishment of deficiencies in the balances of the accounts and funds or other reserves; but
6. Does not include the O & M Repayment Amount and the Ground Rental Repayment Amount.

“CFC Deficit”

Means the amount by which (i) the estimated CFC Costs for the next Bond Year exceed the estimated CFC Revenues for that Bond Year, (ii) the actual CFC Costs exceeded by 10% or more the monthly projected CFC Costs, or (iii) the monthly CFC Revenues actually received were 90% or less than the monthly amounts projected for such Bond Year as provided in Section 604 hereof.

“CFC Master Indenture”

Means that certain Customer Facility Charge Master Revenue Bond Trust Indenture among the Board, the City and the Trustee to be selected by the Board relating to CFC Revenues as may be amended from time to time.

“CFC Past Due Interest Rate”

Means interest accruing at a rate of 10% per annum on any amount of CFC Revenues remaining due and unpaid five days after such becomes due and payable.

“CFC Resolution”

Means (i) that certain resolution bearing Resolution Number 05-04-2009 - 1 adopted by the Commissioners of the Board on May 4, 2009 captioned:

A resolution supplementing, amending and restating three previously adopted resolutions establishing and imposing a customer facility charge to be collected by all on-airport rental car companies operating at Louis

Armstrong New Orleans International Airport to be used to finance a consolidated rental car facility; establishing certain requirements for both on and off-airport rental car companies' operations at the Airport with respect to the consolidated rental car facility; and providing for other matters in connection therewith.

“CFC Revenues”

Means all of the gross revenues derived by the Board from the collection of the CFC.

“City”

Means the City of New Orleans, Louisiana.

“Common Areas”

Means that portion of the Ground and that portion of the CONRAC as depicted on Exhibits “C” and “D” attached hereto and designated in accordance with this Facilities Lease for the common use by the Companies and the Board.

“Companies” or “RACs”

Means collectively the rental car companies that execute an individual Facilities Lease and occupy a portion of the Consolidated Facilities and any of their successors and permitted assigns thereunder.

“Company” or “RAC”

Means the rental car company executing this Facilities Lease.

“Company’s Exclusive Use Premises Percentage”

Means the percentage obtained by dividing the square footage of the Company’s Exclusive Use Premises by the total square footage of all Exclusive Use Premises of all the RACs.

“Company Property”

Means Company’s vehicles, equipment, trade fixtures, and personal property that are not part of the Service Centers of the CONRAC and do not constitute replacement, repair, or substitution for the Service Centers or the CONRAC.

“Company Reporting Period”

Shall be given the meaning set forth in Section 601 hereof.

“Completion CFC Bonds”

Shall be given the meaning set forth in the CFC Master Indenture.

“Concession Agreement”

Means an executed agreement between the Board and Company pursuant to which Company has the right and the obligation to operate a rental car concession at the Airport.

“Confidential Information”

Shall have the meaning set forth in Section 1401 hereof.

“CONRAC”

Means the portion of the Consolidated Facility consisting of a multi-story garage providing approximately 1,800

	ready/return vehicle parking spaces and customer service building including customer service lobby, restrooms, customer service counter space, rental car company administrative office space, electrical utility room, and escalators and elevators allowing customer access to each level of the ready/return multi-level garage.
“Consolidated Facility”	Means collectively the CONRAC and the Service Centers.
“Consumer Price Index For All Urban Consumers” or “CPI-U Index”	Means the Consumer Price Index for All Urban Consumers for the U.S. City Average for All Items, 1982-84 = 100, or the successor of that index calculated on a calendar year basis and as published by the Bureau of Labor Statistics, U.S. Department of Labor.
“Contingent Rent”	Means all rent required by the Board to be paid by the RACs under certain conditions as specified in Section 604 hereof and as provided in the CFC Master Indenture.
“Continuing Disclosure Agreement”	Means any agreement, certificate, document or other writing pursuant to which the Board undertakes to comply with the continuing disclosure requirements of Rule 15c2-12 of the Securities and Exchange Commission regarding any bonds issued to pay any costs of the Consolidated Facility or refund such a bond.
“Coverage Fund”	Means the Coverage Fund established with the Trustee pursuant to Article III of the CFC Master Indenture.
“Customer Service Building”	Means the consolidated rental car building which includes for the Company and each of the other Companies, customer service and administrative office areas, customer counters, public circulation areas, public restrooms, a concession area, vending areas, administrative offices, and support space.
“Date of Beneficial Occupancy” or “DBO”	Means the date the Service Centers or CONRAC are occupied in accordance with the definition of Beneficial Occupancy.
“Debt Service Account”	Means the Debt Service Account established in the Debt Service Fund for any particular Series of CFC Bonds as defined and established in the Indenture, from which moneys will be used to pay annual debt service on the Bonds.

“Design Standard” or “Design Construction Guidelines”	Means the standards established at the Airport for tenants and concessionaires for design, construction, installation, signage, and related matters, as hereafter amended.
“Director” and “Director of Aviation”	Means the Director of Aviation or Acting Director of Aviation of the Louis Armstrong New Orleans International Airport as from time to time appointed by the Board and shall include such person or persons as may from time to time be authorized by the Director to act for the Director with respect to any or all matters pertaining to the Facilities Lease.
“Exclusive Use Premises”	Means that (i) portion of the CONRAC assigned to the Company, (ii) the Service Center of Company or (iii) that portion of the Service Center assigned to the Family of Companies to which the Company is a part (to be occupied jointly with other rental car companies within the same Family of Companies) which is exclusively used by the Company as depicted on Exhibits “E” and “F” attached hereto and designated in accordance with this Facilities Lease for the exclusive use of the Company. Company has the right to make tenant improvements to its Exclusive Use Premises, as permitted under Article VII of this Facilities Lease.
“FAA”	Means the Federal Aviation Administration.
“Facilities Lease”	Means this Facilities and Ground Lease between the Board and the Company, and any permitted amendments thereto.
“Facilities Leases”	Means collectively every Facilities Lease between the Board and the Companies relating to the Consolidated Facility.
“Family of Companies”	Means the rental car companies owned by the same entity.
“Feasibility Study”	Shall have the meaning set forth in Section 302(f) hereof.
“First Supplemental Indenture”	Means that certain First Supplemental Trust Indenture by and among the Board, the City and the trustee to be selected by the Board supplementing the CFC Master Indenture and providing for the issuance of the Bonds.
“Gross Revenues”	Shall be given the meaning as defined in the Concession Agreement.
“Ground”	Means the parcel or parcels of real property legally described and generally depicted in Exhibits “A” and “B” attached

hereto containing approximately _____square feet for the CONRAC and _____square feet for the Company’s assigned Service Center. The Board expressly reserves from the Ground (i) all oil, gas and other mineral rights and water rights and (ii) public right of flight through the air space above the Ground.

“Ground Rentals”	Means the payments to be made by the Company pursuant to Article VI, Section 602 (a) of this Facilities Lease.
“Ground Rentals Repayment Amount”	Means the payments to be made by the Trustee from the Surplus Fund of the CFC Master Indenture as provided in Section 602(b) of this Facility Lease and Section 308 of the CFC Master Indenture.
"Indenture"	Means collectively, the CFC Master Indenture and any supplemental indenture(s) supplementing the provision of the CFC Master Indenture and providing for the issuance of bonds secured by the CFC and issued pursuant to the CFC Master Indenture.
“Independent Accountant”	Means any certified public accountant selected by the Board and licensed to practice in the State, and who (a) in the case of an individual shall not be an employee of the Board or the City and (b) shall be satisfactory to the Trustee and (c) may the accountant that regularly audits the books of the Board and the City, to perform any financial and/or auditing services relating in any way to the rights and obligations created hereunder including but not limited to CFC Revenues and CFC required levels.
“Independent Airport Consultant”	Means a consultant selected by the Board with expertise in the financing and the establishment of user based rates for consolidated rental car facilities or similar type facilities, and qualified to review and assess the anticipated CFC Revenues and recommend to the Board the amount of the CFC, and Contingent Rent or Supplemental Facilities Charge (as defined in the CFC Master Indenture), if required, and who, in the case of an individual, shall not be an officer or employee of the Board or the City.
“Initial Reallocation Date”	Shall be have the meaning set forth in Section 403 hereof.
“Leased Premises”	Means the Company’s premises in the CONRAC and its assigned Service Center.

“Maintenance Reserve Fund”	Means the fund established pursuant to the CFC Master Indenture for the purpose of depositing Revenues (as defined within the CFC Master Indenture) which may be applied at the discretion of the Board to pay costs of capital repairs, replacement and maintenance of the Consolidated Facilities and to reimburse advances made by the Board for such reasonable costs associated therewith.
“Manager”	Means the entity charged with the responsibility for operating and maintaining the common areas of the CONRAC created by the Companies as their agent for the purpose of operating and maintaining the Common Areas of the CONRAC and paying the O&M expenses of the CONRAC.
“Manager Budget”	Means the budget required to be prepared by the Manager for the O & M Expenses as used and set forth in Section 603 hereof.
“Manager Membership Agreement”	Means the agreement providing for the membership rights, requirements and obligations of members of the Manager created by the Companies.
“Manager Operating Agreement”	Means the operating agreement of the Manager created by the Companies.
“Market Share”	Means the market share of a RAC, calculated as the RAC’s Gross Revenues for the specified time period divided by the total Gross Revenues for all the RACs for such time period.
“Off Airport Rental Car Company”	Means any rental car company or business that operates a rental car business from a location not on the Airport.
“Official Statement”	Shall have the meaning set forth in Section 302(f) hereof.
“On Airport Rental Car Company”	Means any rental car company or business that enters into a Rental Car Concession Agreement or is otherwise authorized to operate a rental car concession at and from the Airport.
“Operation and Maintenance Expenses” or “O&M Expenses”	Means all of the costs of operating and maintaining the Common Areas of the Consolidated Facility.

“O&M Payment”	Means the payment due by the Company to the Manager as provided in Section 603 hereof from which it is intended that the O&M Expenses shall be paid by the Manager as provided in Section 404 hereof.
“O & M Repayment Amount”	Means the payments to be made from the Surplus Fund by the Trustee to the Manager to be used to reduce O & M Expenses for the then current Bond Year or reimburse the Companies for the O & M Payments made by them in the prior Bond Year as provided and used in Sections 404 and 603(b) hereof and Section 308 of the CFC Master Indenture.
“Past Due Interest Rate”	Means interest accruing at 18% per annum based on a 365 day year, commencing on the fifth business day after the date such amount is due and owing until paid to the Board.
“Preliminary Official Statement”	Shall have the meaning set forth in Section 302(f) hereof.
“Provider”	Means any Credit Provider, Liquidity Provider, Swap Provider or other Provider as defined in the Indenture.
“RACs”	Means the rental car companies (collectively) that have signed facilities leases and occupy the CONRAC and the Service Centers.
“Rate Covenant”	Means the provisions of the CFC Master Indenture relating to fixing and establishing the dollar amount per Transaction Day or other method of calculating the rate of the CFC.
“Rental Cars”	Means motor vehicles designed primarily for the carriage of passengers and commonly classified as sedans, coupes, convertibles, station wagons, sports utility vehicles, passenger vans, “Suburban”-type vehicles or pick-up trucks rated one-ton or less that the Company owns, leases, rents, or intends to rent and are properly available, or will become available for rental as provided herein.
“Reallocation Date”	Shall be have the meaning set forth in Section 403 hereof.
“Security Deposit”	Means the deposit as defined and described in Section 605 of this Facilities Lease.
“Service Centers”	Means the portion of the Consolidated Facility constituting rental car service areas to be utilized by the On Airport Rental Car Companies for the storage, refueling, cleaning, repair and maintenance of rental cars and rental car company employee parking one of which will be assigned to a Family of

“State”	Means the State of Louisiana.
“Supplemental Facility Charges”	Shall have the meaning set forth in the CFC Master Indenture.
“Supplemental Indentures”	Means any Supplemental Indenture in addition to the First Supplemental Indenture relating to other future series of bonds secured by the CFC and issued pursuant to the CFC Master Indenture.
“Taking”	Shall have the meaning set forth in Section 1102 hereof.
“Tax-Exempt Bonds”	Shall have the meaning specified in the CFC Master Indenture.
“Tenant Improvement Agreement”	Means the agreement between the Board and its tenants stating that tenants will adhere to standards established at the Airport for tenants and concessionaires for design, construction, installation, signage, and related matters.
“Term”	Means the term of the Facilities Lease as defined in Article V.
“Terminal”	Means collectively the existing passenger terminal complex and any future terminal building or building located at the Airport.
“Transaction Day”	Shall have the meaning set forth in the CFC Resolution as amended from time to time and initially shall mean a twenty-four (24) hour period or fraction thereof for which a rental car customer is provided the use of a rental car for compensation regardless of the duration or length of the rental term. However, if the same rental car is rented to more than one customer within such continuous twenty-four (24) hour period, then each such rental shall be calculated as a “Transaction Day,” except that a partial day that is a grace period of no more than two (2) hours after the last 24-hour day booked shall not be considered a Transaction Day.
“Trustee”	Means the entity or entities serving as trustee or trustees pursuant to the Indenture.

**ARTICLE III
REPRESENTATIONS**

Section 301: Representations and Covenants by the Board.

The Board hereby represents and covenants that, subject to the provisions of the Charter:

- (a) The City is a municipal city home rule unit of government, duly organized and existing under the laws of the State of Louisiana ("State") and the Home Rule Charter of the City of New Orleans.
- (b) The City owns the Airport, which is operated and maintained by the Board.
- (c) The Board is duly authorized to enter into the transactions contemplated by this Facilities Lease.
- (d) The City has sufficient title to the Ground and the Board has authority to enable it to lease to the Company the Exclusive Use Premises and the Ground, all as provided in this Facilities Lease.
- (e) When executed by the authorized officers of the Board and the Company, this Facilities Lease will constitute a valid, binding and enforceable obligation of the Board.
- (f) The Board will issue bonds in an amount that when combined with available CFC Revenues will be sufficient to fund the budget for the Service Centers and the CONRAC.
- (g) The Board will design, develop and construct the Service Centers and the CONRAC in accordance with the construction documents as may be revised from time to time.

Section 302: Representations and Covenants by The Company.

The Company hereby makes the following representations and covenants:

- (a) The Company is a [corporation] duly incorporated and in good standing in the State of _____, is duly qualified to do business as a [foreign corporation] under the laws of the State of Louisiana, is not in violation of any provision of its Articles of Incorporation or its by-laws, has full [corporate] power to own its properties and conduct its business, has full legal right, power and authority to enter into this Facilities Lease and to consummate all transactions contemplated hereby and by proper [corporate] action has duly authorized the execution and delivery of this Facilities Lease.

- (b) This Facilities Lease has been duly authorized, executed and delivered by the Company and constitutes the legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms.
- (c) To its knowledge, there are no pending or threatened actions or proceedings before any court or administrative agency which individually (or in the aggregate in the case of any group of related lawsuits) is expected to have a material adverse effect on the financial condition of the Company or the ability of the Company to perform its obligations under this Facilities Lease.
- (d) No information, statement or report furnished by the Company to the Board in connection with the negotiation of or performance contemplated hereunder, to the knowledge of the Company, is untrue or incorrect.
- (e) The Company will not make a change in its business, which would materially adversely affect its performance hereunder and will not voluntarily dissolve or otherwise dispose of its assets.
- (f) The information relating to the Company, the CONRAC and the Service Centers provided by the Company to the Board, its attorneys and consultants (including such information as provided for use in any Preliminary Official Statement ("Preliminary Official Statement"), any Official Statement ("Official Statement") and the projection of CFC Revenues and financial feasibility analysis of Unison Consulting, Inc., (the "Feasibility Study") and projections of enplaned passengers at the Airport and relating analysis of projected air traffic at the Airport by Ricondo & Associates, Inc., (the "Air Traffic Report") which shall be included in the Preliminary Official Statement and Official Statement for the purpose of obtaining financing for the CONRAC and the Service Centers is complete and accurate.
- (g) The Company consents to the references to it in the Preliminary Official Statement, the Official Statement, the Air Traffic Report, if any, and the Feasibility Study for the Bonds and to the use of the information pertaining to it in such documents, which information was provided for use in such documents by or on behalf of the Company.
- (h) To the best of the Company's knowledge, the Company is not, and will not be, with the lapse of time or giving of notice or both, in material breach of or in default under any applicable law or administrative rule or regulation of the State of Louisiana, the United States of America or any State in which it does business, or any department, division, agency, or instrumentality of any thereof or any applicable court or administrative order, resolution, indenture, contract, agreement or other instrument to which Company is a party or to which any of its property or assets are otherwise subject or bound which in any material way, directly or indirectly, affects the validity of its representations or agreement of indemnity herein and the consummation on the part of Company of the transactions contemplated on its part by this Facilities Lease.

- (i) To the best of Company's knowledge, the Company is not a party to any agreement or understanding, which could have a material adverse effect upon its ability to perform its obligations under this Facilities Lease.

Section 303: Financing of CONRAC and Service Centers.

The Board shall use its best efforts to cause the Bonds to be issued under the Bond Resolution and the Indenture. There will be no mortgage or encumbrance on the CONRAC or the Service Centers to secure the Board's obligations under the Indenture. The Board will determine the final term and structure of the Bonds which is presently contemplated to be January 1, 2039 but may be extended to be not later than January 1 of the year next succeeding the 40th anniversary of the issuance of the Bonds.

It is understood and agreed that all CFC Revenues required to be collected by the Company under the provisions of this Facilities Lease and the CFC Resolution are pledged for the payment of the Bonds and other obligations pursuant to the Bond Resolution and the Indenture, and such other costs as agreed to by the Board, and the Company hereby consents and agrees to such pledge and acknowledges the lien of the Trustee pursuant to the Indenture for the benefit of the owners of the Bonds in such CFC Revenues.

- A. Other than the CFC as stated in Section 601 hereof, Contingent Rent provided for in Section 604 hereof and other Supplemental Facility Charges imposed pursuant to the CFC Master Indenture, none of the rents, fees, or charges in Article VI of this Facilities Lease shall constitute any part of the security for the Bonds.
- B. In the event of any conflict between this Facilities Lease and the Bond Resolution and the Indenture, the Indenture shall govern to the extent permitted by Louisiana State Law. Subject to the terms and provisions of the Indenture, it is mutually understood and agreed that, so long as any Bonds issued pursuant to the Indenture are outstanding, the deposit and application of CFC Revenues and Contingent Rent and other Supplemental Facility Charges shall be carried out pursuant to the Indenture, to the extent permitted by Louisiana State Law.
- C. Company understands and acknowledges that modifications to the terms and conditions stated in this Facilities Lease with respect to: (i) collection of the CFC by the Company, (ii) the enforceability of the CFC Revenues, and (iii) other applicable items set forth in this Facilities Lease may be necessary to provide additional security for holders of the Bonds in connection with the issuance of the Bonds. The Company agrees to the addition of such terms and conditions to this Facilities Lease as the Board determines are reasonably necessary to complete the financing, provide adequate security to holders of the Bonds, meet continuing disclosure requirements on the Bonds, and achieve an investment grade rating for the Bonds.

ARTICLE IV
USE, OPERATION AND MAINTENANCE, AND LEASE OF CONRAC AND SERVICE CENTERS

Section 401: Use of CONRAC and Service Centers.

- A. Upon the applicable DBO, the Company shall have the rights to use and enjoy the CONRAC and the Service Center assigned (with other Companies within the same Family of Companies, if applicable), including the rights of possession and quiet enjoyment of its Exclusive Use Premises and on a shared basis the Common Areas of the CONRAC and its assigned Service Center, for the purpose of conducting, pursuant to the Concession Agreement, the following authorized activities:
- (1) as to the Customer Service Building within the CONRAC, renting Rental Cars to customers and functions related thereto;
 - (2) as to the Ready/Return Areas within the CONRAC, Rental Car pick up and return activities, vehicle circulation and storage; and
 - (3) as to its assigned Service Center, Rental Car maintenance, cleaning, conditioning, servicing, vehicle storage, washing, and fueling, with no damaged vehicles in view of the public.
- B. The Company shall not engage in any activities prohibited by the Concession Agreement during its term or by this subsection. Should Company engage in a prohibited activity under the Concession Agreement or this subsection or in an activity not authorized by subsection (a) above unless the prior written approval of the Director is obtained, then such event shall constitute a breach of this Facilities Lease. No Company has the right to engage nor shall engage in or permit the conduct of any of the following prohibited activities upon the CONRAC or its Service Center:
- (1) sale of food/beverages or other food products to others except within Company's Exclusive Use Premises to be consumed by its employees or except as specifically provided herein;
 - (2) operation of automated teller machines ("ATMs"), provision of public telephone and telecommunication services, rental of luggage carts and lockers, sale or rental of advertising spaces, or operation of vending machines;
 - (3) automobile parking, during ordinary hours of operation, for other than the customers or employees of Company or its vendors or its service providers; and
 - (4) the retail sale of motor vehicles.
- C. The Company shall have the right, subject to the prior written approval of the Director, and subject to all of the terms and provisions hereof, to cause or permit the conduct upon the CONRAC and its Service Center of any one or more of the activities permitted to be

performed by Company pursuant to the provisions of subsection (a) hereof by or through an independent contractor, sub lessee, or other third parties, provided that Company shall not thereby be relieved of any of its obligations or liabilities hereunder. The use of the CONRAC shall be subject to the easements and other restrictions described in Exhibit "A".

Section 402: Exclusive Use Premises.

The Board hereby leases to the Company, and the Company hereby leases from the Board, the Exclusive Use Premises on the terms and conditions set forth in this Facilities Lease, including but not limited to, the Company's agreement to collect and remit the proceeds of a CFC and pay certain rents and fees to the Board in accordance with Article VI hereof. However, the Board reserves the right to reallocate the Exclusive Use Premises from time to time in accordance with the Company's Market Share, as provided in Section 403 hereof.

Section 403: Allocation and Reallocation of Exclusive Use Premises.

The initial allocation of the Company's ready/return area and counter space within its Exclusive Use Premises in the CONRAC is set forth on Exhibit "G". Such ready/return and counter space portions of the Company's Exclusive Use Premises will be revised by the Board twelve (12) months prior to DBO ("Initial Reallocation Date"), and preliminarily adjusted based on changes in market share as determined by the Company's proportionate share of the total Gross Revenues of all the Companies based on the twelve month period ("12-Month Period") immediately preceding the Initial Reallocation Date. On the Initial Reallocation Date, the Board shall prepare, pay for and promptly distribute preliminary Exhibits "E" and "G" to each of the Companies setting forth the revised ready/return area and counter space of the Companies within their respective Exclusive Use Premises. Within 30 days of receipt of such revised Exhibits, if the Company has obtained additional ready/return area and/or counter space due to such reallocation, it shall notify, in writing, the Board as to whether it desires to lease such additional area. Immediately upon receipt of all such notices from the Companies, the Board shall notify, in writing, all of the companies of the ready/return area not desired by each of the Companies and provide the other Companies with the opportunity to lease such areas. Priority among the other Companies for determining the lease of such unwanted area shall be based on market share as measured by Gross Revenues during the 12-Month Period. If none of the other Companies express an interest in leasing all or any portion of the Company's unwanted ready/return area or counter space, then the Company shall be obligated to lease the additional area and the Board shall thereafter prepare, pay for and distribute revised Exhibits "E" and "G" showing the final ready/return area and counter space to be initially leased by the Company.

Subsequent to DBO of the CONRAC, the Director may, but shall not be obligated to, at his sole option, establish a reallocation of Exclusive Use Premises in the CONRAC in order to: (i) accommodate changes in the Market Shares of the Companies; or (ii) accommodate new entrants; or (iii) reallocate space that is surrendered, abandoned or left vacant for any reason; or (iv) for any other reason that the Director deems necessary or appropriate.

Six (6) months prior to the commencement of the sixth (6th) Contract Year, and each five (5) year period thereafter (the "Reallocation Date"), the Director shall review the allocation of all RACs' Exclusive Use Premises for the purpose of establishing a new allocation of Exclusive Use

Premises. Market Shares for all RACs for the most recent twelve (12) month period will be one factor utilized in reviewing the allocations of Exclusive Use Premises. Such reallocation of Exclusive Use Premises, if any, shall take place prior to the end of the said six (6) month period. In addition, subsequent to an event that has a significant impact on the rental car industry or at the request of any RAC that has achieved a ten percent (10%) increase in Market Share since the last Reallocation Date, the Director may, but is not obligated to, review and establish a reallocation of Exclusive Use Premises.

The Board shall provide at least thirty (30) day written notice to the RACs prior to any reallocation of any Exclusive Use Premises by the Board. The Company shall move from any Exclusive Use Premises to be surrendered and into any reallocated Exclusive Use Premises by the date set forth in any notice to that effect given by the Board. In the event of any reallocation subsequent to the DBO of the CONRAC, the Company shall move into its reallocated Exclusive Use Premises in accordance with a move schedule prepared by the Board. Each RAC shall bear its own costs of moving from Exclusive Use Premises and of relocating into new Exclusive Use Premises. The determinations of the Board, made from time to time pursuant to this Section, shall be final and binding on the parties.

Section 404: Obligation of Companies To Pay O&M Expenses of the CONRAC.

It is the intention of the parties hereto that the O&M Expenses of the Common Areas of the CONRAC shall be paid by the Manager from the O&M Payments required by Section 603(b) hereof to be made by the Company to the Manager. The foregoing sentence notwithstanding, the Board intends to use its best efforts to have the Indenture contain language substantially to the effect that to the extent that actual CFC Revenues for any Bond Year exceeded the actual CFC Costs for such Bond Year an amount of CFC Revenues equal to the lesser of (i) such excess or (ii) the O&M Expenses for such Bond Year (the "O&M Repayment Amount") shall be paid by the Trustee from amounts available in the Surplus Fund created by the CFC Master Indenture to the Manager within 30 days of receipt of unaudited financial statements of the Board, the Trustee and the Manager relating to the CFC Revenues, O&M Expenses of the CONRAC, and the CFC Costs for such Bond Year in sufficient detail such that the O&M Repayment Amount may be accurately and properly determined. The O&M Repayment Amount shall be used by the Manager to (i) reduce the O&M Payment due by each Company for the remainder of the Bond Year within which such O&M Repayment Amount is received by the Manager and (ii) if the O&M Repayment Amount is sufficient to reimburse the Companies for the O&M Payments previously made to the Manager in such Bond Year or made in a prior Bond Year.

Section 405: Company's Obligations and Conditions to Company's Use of CONRAC and Service Center.

- (a) Maintenance and use of CONRAC and Service Center at Company's Expense.
- (i) Subject to the other terms of this Facilities Lease, Company shall throughout the term of this Facilities Lease assume the responsibility, cost and expense, for the operation and all repair and maintenance whatsoever of its Exclusive Use Premises, whether such repair or maintenance be ordinary or extraordinary, structural or otherwise, as set forth in Section 406 of the Agreement. However, if the repair or

maintenance is covered by a manufacturer's warranty, contractor's warranty or other such warranty the Company shall contact the Manager and the Manager shall have the responsibility for contacting the Board and warrantor to arrange for the required repair or maintenance to be completed. Additionally, without limiting the generality of the foregoing, the Company shall participate with the other Companies to cause the Manager to be created and organized in order that the Manager shall undertake the following with respect to the Common Areas of the CONRAC:

- (1) Through the Manager, maintain at all times the Common Areas of the CONRAC in as good a state of repair and preservation as the public terminal areas at the Airport, excepting ordinary wear and tear and obsolescence in spite of repair.
- (2) Through the Manager, keep at all times, in a clean and orderly condition and appearance, the Common Areas of the CONRAC, which are open to or visible by the general public.
- (3) Provide or with respect to Common Areas cause the Manager to provide and maintain all obstruction lights and similar devices, fire protection and safety equipment and all other equipment of every kind and nature required by laws, rule, order, ordinance, resolution or regulation of any competent authority, including the Board and Director.
- (4) Through the Manager, repair any damage to paving or other surfaces of the Common Areas of the CONRAC caused by any oil, gasoline, grease, lubricants or other flammable liquids and substances having a corrosive or detrimental effect thereon.
- (5) Through the Manager, take reasonable measures to prevent erosion, including but not limited to, mowing, the planting and replanting of grass or other appropriate landscape material with respect to all portions of the Common Areas of the CONRAC site not paved or built upon, and in particular, plant, mow, maintain and replant any landscaped areas.

(ii) In addition, the Company as a condition to use the CONRAC and its assigned Service Center, and lease of the Exclusive Use Premises shall:

- (1) Be responsible for the maintenance and repair of all utility services lines placed on the Exclusive Use Premises and used by the Company exclusively, including, but not limited to, water lines, gas lines, electrical power and telephone and data conduits and lines, sanitary sewers, storm sewers, fueling system lines and lines for air, oil and other fluids.
- (2) Take all reasonable measures (i) to reduce to a minimum vibrations tending to damage any equipment, structure, building or a portion of a building which is located elsewhere on the Airport; (ii) to keep the sound level of its operations as low as possible; and (iii) not to produce on the Airport through

the operation of machinery or equipment any electrical, electronic or other disturbance that interferes with the operation by the Board, the Federal Aviation Administration or the scheduled airlines, of air navigational, communication or flight equipment on the Airport or on aircraft using the Airport, or with ground transportation communications.

- (3) Within reason, control the conduct, demeanor and appearance of its officers and employees and, upon reasonable objection from Director concerning the conduct, demeanor or appearance of any such person, immediately take all reasonable steps necessary to remove the cause of the objection.
- (4) Commit no nuisances, waste or injury, and not do, or permit to be done, anything which may result in the creation, commission or maintenance of such nuisance, waste or injury on the CONRAC or its Service Center.
- (5) Not cause nor create, nor permit to be caused or created, at the CONRAC or its Service Center, any noxious odor, or noxious gas. Odors emitted in the operation of Companies' authorized activities pursuant to Section 401 shall comply with the requirements of all generally applicable air pollution and nuisance statutes and ordinances.
- (6) Subject to the Company's rights to use City services on the same basis as other customers of the City, the Company shall not do, nor permit to be done, anything which may interfere with the effectiveness or accessibility of the drainage system, sewerage system, fire protection system, sprinkler system, alarm system and fire hydrants and hoses, if any, installed or located at the CONRAC and its Service Center.
- (7) Collect all garbage, debris and waste material (whether solid or liquid) arising out of its occupancy of the CONRAC and its Service Center, store same pending disposal in covered metal or other rigidly and sturdily constructed receptacles and dispose of same off the Airport at regular intervals, except for sewage which may be disposed of in the City's sewer system, all at Companies' expense, in the manner reasonably required by the Director.
- (8) Apply and be governed by the provisions in Article XIII whether the CONRAC or Service Center are expressly mentioned or not.
- (9) Not cause the maintenance or repair including the cleaning or prepping of vehicles in the ready return areas or within 300 feet of the Customer Service Building curbs.

(b) Manager; Operations and Maintenance.

The Company represents that the Company is a member or stockowner of the Manager and has executed or will execute the Manager Operating Agreement or

other similar documents of Manager. Such membership shall be maintained throughout the term of this Facilities Lease. The Company shall be obligated (i) to participate in such Manager and (ii) to promptly pay all charges and assessments imposed by such Manager or the Board for the cost of carrying out its obligations under this Facilities Lease, including without limitation make the O&M Payment required by Section 603 hereof. The Company will cause the Manager to carry out all of the Company's obligations to operate, repair and maintain the CONRAC (other than the Exclusive Use Premises, which will be the obligation of the Company). If the repair or maintenance is covered by a manufacture's warranty, contractor's warranty or other such warranty the Manager shall have the responsibility for contacting the Board and warrantor to arrange for the required repair or maintenance to be completed. The Company will cause the Manager to provide the Board, a detailed breakdown of operating and maintenance costs in a format acceptable to the Board. If the Manager fails to perform its responsibilities pursuant to this Facilities Lease, the Company, will be responsible to carry out the required duties based on its allocated share of the CONRAC.

(c) Manager Charges, Taxes, Utilities, Liens.

- (1) Company shall pay all assessments, charges, fees and levies by the Manager within the payment times prescribed by the Manager.
- (2) Company shall pay all taxes that may be levied, assessed or charged upon the Company's leasehold estate at the CONRAC and its Service Center by the State of Louisiana, Parish of Jefferson, City of Kenner or any other political subdivision or municipal corporation having jurisdiction and authority to levy taxes within the geographic area upon which the CONRAC and the Service Centers are located, and shall obtain and pay for all licenses and permits required of it by law. However, the Company shall have the right to contest, in good faith, the validity or application of any such tax, license or permit and shall not be considered in default hereunder as long as such contest is in progress and diligently prosecuted. Board agrees to cooperate with the Company in all reasonable ways in connection with any such contest other than a contest of any tax, permit or license of the Board.
- (3) Company shall pay for all water, heat, electricity, air conditioning, sewer rents and other utilities furnished to it with respect to its Exclusive Use Premises or Common Areas of the CONRAC.
- (4) Company shall neither cause or permit any laborers, mechanics, builders, carpenters, material men, contractors, or other liens or encumbrances (including judgment and tax liens) against the CONRAC, the Service Centers or any City property by virtue of the construction, repair or replacement of any part of the CONRAC or Service Centers; provided, however, that the Company may at its own expense in good faith contest the validity of any alleged or asserted lien and may permit any contested lien to remain unsatisfied and undischarged during the period of such contest and

any appeal therefrom unless by such action any part of the CONRAC or Service Center may be subject to a material risk of loss or forfeiture, in any of which events such lien shall be promptly satisfied or bonded around in accordance with Louisiana law.

Section 406: Maintenance of Exclusive Use Premises.

The cost of maintenance including janitorial services and any necessary repair or replacement of the Exclusive Use Premises shall be borne by the Company. The Company agrees, at its expense and without cost or expense to the Board, during the Term hereof that:

- (a) The Company shall keep the Exclusive Use Premises in good order and condition and will make all necessary and appropriate repairs and replacements thereof promptly and in a good and workmanlike fashion without diminishing the original quality of such improvements;
- (b) The Company shall not permit rubbish, debris, waste materials or anything unsightly or detrimental to health, or likely to create a fire hazard, or conducive to deterioration, to remain on any part of the Exclusive Use Premises or to be disposed of improperly;
- (c) The Company shall provide and maintain obstruction lights and all similar equipment or devices now or at any time required by any applicable law, ordinance or municipal, state or federal regulation;
- (d) The Company shall appropriately light, maintain and repair all surface areas for the parking of vehicles on the Exclusive Use Premises; and
- (e) The Director or his authorized representative shall have the right to make reasonable objections regarding the maintenance and appearance of the Exclusive Use Premises. The Company agrees to promptly begin remediation of any objectionable condition within thirty (30) days after written notice by the Director or his authorized representative.

Section 407: Quiet Enjoyment.

Provided the Company is not in default under the terms of this Facilities Lease, the Company shall and may peacefully have, hold and enjoy its Exclusive Use Premises and shall not be disturbed or interfered with by the Board or by any person claiming by, through or under the Board.

Section 408: Board's Covenant Regarding More Favorable Terms.

Board agrees that, during the term of this Facilities Lease, it will use its best efforts to ensure that other Rental Car Companies operating within the CONRAC and Service Centers are subject to the same material terms and conditions that are set forth in this Facilities Lease; provided however, that should the Board be unsuccessful in such endeavor, the Company shall have the benefit of such new material terms and conditions which shall be deemed incorporated herein and become a part of

this Agreement but only to the extent that such new material terms and conditions are beneficial to the Company.

Section 409: Means of Access.

The Company, its agents, employees, suppliers, vendors, and customers have a non-exclusive right of ingress to and egress from the Exclusive Use Premises and Common Areas of the CONRAC and Service Centers by a means of access located outside the boundaries of CONRAC and the Service Centers as specified by the Board. In non-public areas, such access shall be restricted under the Airport's security requirements. The Board may at any time close, relocate, reconstruct or modify such means of access, provided that a reasonably convenient and adequate means of ingress and egress is available for the same purposes.

Section 410: Right of Inspection.

The Board retains the full right of entry upon and to the Common Areas of the CONRAC and the Exclusive Use Premises, including the Service Centers, for any purpose necessary, incidental to or in connection with its obligations hereunder, or in the exercise of its governmental functions, or for the purpose of making any inspection or conducting any testing it deems necessary; and to perform periodic maintenance and make repairs and replacements in any case where the Company is obligated but has failed to do so, after the Board has given the Company reasonable notice so to do, in which event the Company shall reimburse the Board for the reasonable cost thereof plus a fifteen percent administrative fee promptly upon demand; and to do any and all things which the Board deems necessary for the proper general conduct, security and operation of the Airport or in the proper exercise of the Board's or the City's police power; provided, however, that nothing contained in this Section shall limit the power of the Board and its authorized officers, employees and agents to enter upon the Exclusive Use Premises as provided by law in a capacity other than as lessor under this Facilities Lease. No such entry by or on behalf of the Board upon the Exclusive Use Premises shall cause or constitute a termination of this Facilities Lease or be deemed to constitute an interference with the possession thereof by the Company.

**ARTICLE V
TERM**

Section 501: Term.

- A. The Term of this Facilities Lease shall commence on the DBO of the Service Center. Notwithstanding the above, this Facilities Lease shall become effective upon the execution by both parties hereto.
- B. Unless extended under Section 502 or terminated at an earlier date as provided herein, this Facilities Lease shall terminate on the tenth anniversary of the DBO of the CONRAC.

Section 502: Surrender of Exclusive Use Premises.

Upon the expiration of both the Term and Additional Term, if applicable, or earlier termination of this Facilities Lease or on the date specified in any demand for possession by the Board after any default by the Company, the Company covenants and agrees that the Company shall surrender possession of the Exclusive Use Premises to the Board and restore the Exclusive Use Premises consistent with the provisions set forth in Article X herein. Upon failure of the Company to comply with the conditions herein, the Board may cause such removal and restoration to be done at the Company's expense.

Section 503: Evidence of Termination.

At the termination of this Facilities Lease, the Board shall deliver to the Company any documents and take such actions as may be requested of it to effectuate the cancellation and evidence the termination of this Facilities Lease.

Section 504: Holding Over.

If the Company holds over after expiration of the Initial Term or holds over after expiration of the Additional Term after exercising its option under Section 502 hereof, thereafter the Company's occupancy of its Exclusive Use Premises and the use of the Common Areas shall be deemed a month-to-month tenancy. If such holdover is due to the Company's negligence or fault in (a) failing to vacate the premises when the Company intends to vacate or (b) failing to sign a new facilities and ground lease presented to it in good faith by the Board when Company intends to continue its occupancy after the Additional Term, the Company shall pay the Board an additional rent per day equal to the total of the following: (i) the most recent Minimum Annual Guarantee, (ii) plus the most recent annual ground rent, (iii) plus all other fees due under the Concession Agreement as of the last year of the Concession Agreement, (iv) divided by 365 and (v) multiplied by 1.5. The additional rent per day shall remain in effect until a new agreement is fully executed by the Company, but otherwise the Company shall be bound by all compensation, terms and conditions of this Facilities Lease in the absence of a duly executed agreement or amendment to the contrary. Nothing herein shall be construed to give the Company the right to hold over at any time, and the Board may exercise any remedy at law or in equity to recover possession of the Exclusive Use Premises, as well as any damages incurred by the Board.

**ARTICLE VI
RENTS, FEES AND CHARGES**

Section 601: Customer Facility Charge.

The Board shall continue to impose and the Company shall continue to collect from customers entering into each motor vehicle rental agreement with the Company and remit to the Board a Customer Facility Charge ("CFC") for each Transaction Day or the amount due pursuant to any other method of calculating the CFC as then provided by the CFC Resolution. The CFC must be shown as a separate line item on the Company's motor vehicle rental agreement. The Company agrees that it will not refer to the CFC in its motor vehicle rental agreement or otherwise as a Board

or Airport fee, charge or tax. The amount of the CFC collected and remitted by the Company for each Transaction Day must be based on the established CFC rate, which will be the same for all rental car companies operating from the CONRAC. The CFC is presently imposed at the rate of six dollars and twenty cents (\$6.20) per Transaction Day commencing effective June 1, 2009; however, the CFC rate may be changed from time to time by the Director as required without further action by the Board or the City Council and may be changed by the Board and must be increased under certain circumstances as required by the Rate Covenant and the Bond Documents. The amount of the CFC must be established by the Director or the Board in accordance with the CFC Resolution which established such charge and the CFC Master Indenture and will be used to pay the CFC Cost in each Bond Year and other related expenses of the CONRAC, the Service Centers, and the CFC Master Indenture. The CFC Revenues shall be remitted to Board at P.O. Box 20007, New Orleans, LA 70141 for the prior calendar month on or before the 20th day of each calendar month to the New Orleans Aviation Board, P.O. Box 20007, New Orleans, LA 70141.

The Company also agrees to furnish to the Director on or before the 20th day of each calendar month during the Term of this Facilities Lease, two copies of a true and correct statement of the CFCs collected by the Company for the preceding calendar month signed by an Authorized Company Representative together with all supporting documents and information reasonably requested by the Board. Any remittance of CFCs that remains due and unpaid five (5) days after it becomes due and payable shall be subject to the CFC Past Due Interest Rate applied to the balance past due for each day beginning five (5) days after such payment became due until payment has been received or as otherwise provided in the CFC Resolution. One of the copies shall be transmitted in an electronic format. The Company must maintain such books and records as will be sufficient to document the collection by the Company and the remittance to the Board of all CFCs required to be collected pursuant to this Facilities Lease. The Company agrees to give the Board access during reasonable hours to such books and records. The Company also agrees to provide, in writing, to the Independent Airport Consultant by not later than March 31st of each year, the following information:

- a. The Company's Transaction Days per calendar month for the preceding 12-calendar month period beginning on each January 1 and ending on each subsequent December 31 ("Company Reporting Period"); and
- b. The total amount of the Customer Facility Charge proceeds per each calendar month remitted by the Company to the Board during the Company Reporting Period.

Such information must be provided by the Company to the Independent Airport Consultant with the following certification by an Authorized Company Representative within 90 days following the close of each calendar year:

"To the best of my knowledge, the information contained herein provided by the Company to the Independent Airport Consultant is complete and accurate."

The CFCs collected by the Company must be accounted for separately on the Company's books of account. The Company agrees to maintain a separate account on its books or records in which it will hold all CFCs owed under this section. The CFC collected by the Company will be regarded as trust funds held by the Company as an agent, for the beneficial interest of the Board. All CFCs

collected and held by the Company are property in which the Company holds only a possessory interest and not an equitable interest. The Company agrees that in the event of a bankruptcy filing, any CFC remittance made by the Company are deemed remittance made out of a trust fund, and the Company will not attempt to collect these remittance as preferences, fraudulent transfers, etc. Once remitted to the Board, all CFC Revenues will be deposited by the Board into the funds and accounts established pursuant to the Indenture, in the order of priority set forth in the CFC Master Indenture. Such funds and accounts may include, but are not limited to, the Administrative Costs Fund, the Debt Service Fund, the Maintenance Reserve Fund, the Debt Service Reserve Account, and the Coverage Fund.

The Company is obligated to collect the CFCs at the rate determined by the Board in accordance with this Facilities Lease and the CFC Resolution. The Company covenants and agrees that it will not be entitled to any rights of offset or other reduction in the requirements herein.

Section 602: Ground Rentals.

- A. The Company agrees to pay to the Board Ground Rentals at the initial annual rate of \$0.48 per square foot for the Ground upon which the CONRAC is located and at the initial annual rate of \$0.30 per square foot for the Ground upon which the Service Centers are located. The initial annual rate for the Service Centers shall increase on the fifth (5th) anniversary of the DBO of the Service Centers to the greater of (i) \$0.48 per square foot or (ii) the amount to which the initial rate of \$0.30 per square foot has been increased as a result of increases in the CPI-U Index as provided in the last paragraph of this Section 602A. The Company agrees to pay the Ground Rentals to the Board monthly in an amount equal to one-twelfth of the annual Ground Rentals for the leased Ground. The Ground Rentals for any partial calendar month payable during the Term will be prorated. Pro-rata payments will be calculated by dividing the total annual Ground Rentals by 365 and multiplying that daily amount by the number of days in any monthly or partial monthly period.

The Ground Rentals due by the Company relating to its Service Center shall be (i) if not shared among a Family of Brands 100% of the Ground Rentals relating to its Service Center or (ii) if shared with its Family of Brands its proportionate share of the Ground Rentals due for its Service Center calculated by multiplying the total Ground Rentals due for such Service Center by the percentage obtained by dividing the square footage of the Company's Exclusive Use Premises within its assigned Service Center by the total square footage of Exclusive Use Premises within its Family of Brands assigned Service Center.

The Ground Rentals due by the Company for the Ground used as the Site of the CONRAC shall be equal to the amount of its prorated share of the Ground used for the site of the CONRAC, calculated by multiplying the total Ground Rentals due for the CONRAC site by the percentage obtained by dividing the square footage of the Company's Exclusive Use Premises in the CONRAC by the total square footage of all exclusive use premises in the CONRAC.

The Ground Rentals for both the CONRAC and the Service Centers will be adjusted on the first anniversary of the DBO of the Service Centers and each year thereafter, based on the annual percentage change in the CPI-U Index. However, in no event will the annual

adjustment result in Ground Rentals being less than the amount charged during the prior year or more than 2% above the amount charged during the prior year.

- B. Commencing with the end of the first Bond Year within which the Company pays Ground Rentals pursuant to this Facilities Lease, to the extent that actual CFC Revenues for any Bond Year exceeded (i) the actual CFC Costs for such Bond Year plus (ii) the O & M Expenses paid by the Companies for such Bond Year, an amount of CFC Revenues equal to the lesser of (i) such excess or (ii) the amount of Ground Rentals paid by all of the Companies for such Bond Year (such lesser amount being the "Ground Rental Repayment Amount") shall be paid by the Trustee from amounts available in the Surplus Fund created by the CFC Master Indenture to the Companies. Each Company shall be paid the portion of the Ground Rental Repayment Amount equal to the percentage resulting from dividing the Ground Rentals paid by each Company by the total of all Ground Rentals paid by all the Companies for such Bond Year. The portion of the Ground Rental Repayment Amount due to each Company shall be paid by the Trustee to the respective Companies within 30 days of receipt of unaudited financial statements of the Board, the Trustee and the Manager relating to the CFC Revenues, O&M Expenses of the CONRAC, the CFC Costs for such Bond Year, the O & M Repayment Amount, and the Ground Rentals.

Section 603: O&M Payment.

- A. The Manager shall prepare a budget to reflect the O&M Expenses relating to the Common Areas of the CONRAC (the "Manager Budget") not less than 60 days prior to the DBO of the CONRAC. The Manager Budget shall include each and every item of O&M Expenses and shall indicate the total amount thereof. Within 5 days of its preparation, the Manager Budget shall be delivered by the Manager to the Director for approval by the Board. If the Director notes any deficiencies or objects to any item in the Manager Budget prior to submitting it to the Board for approval, he shall advise the Manager of such objection or deficiency and the Manager shall take the action required to cure such objection or deficiency. If no such objection is taken or deficiency is noted by the Director or after correction of any such item by the Manager, the Director shall submit the Manager Budget to the Board for approval by its Commissioners at the next meeting held after receipt or correction, as appropriate, of the Manager Budget. If the Manager Budget is not approved by the Board the Manager shall be notified of the reasons for such disapproval and the Manager shall take the required actions to satisfy the reasons for disapproval and the Manager shall within not more than 15 days after being notified of the Board's refusal to approve the Manager Budget submit a revised Manager Budget to the Director. Once the Manager Budget has been approved by the Board, it shall become the basis for the calculation of the O&M Payment required by sub-part (b) hereof to be paid by the Company to the Manager.
- B. The Company shall pay to the Manager monthly the O&M Payment in the amount equal to the product obtained by 1) dividing the total annual Manager Budget by twelve and 2) multiplying the quotient obtained in step 1) by the percentage obtained by dividing the square footage of the Company's Exclusive Use Premises in the CONRAC by the total square footage of all Exclusive Use Premises in the CONRAC (the "Company's Exclusive Use Premises Percentage").

- C. The amount of the O&M Payment shall be reviewed not less than semi-annually and adjusted, as necessary, effective on the first day of the second calendar month following any such adjustment, at least 70 days before each Bond Year and at any other time as required to satisfy the requirements of this Facilities Lease, the Bond Resolution and the CFC Master Indenture or at such other times as the Manager or the Board deems necessary to meet the O&M Expenses.
- D. No later than ninety (90) days following the end of each Bond Year, the Manager shall perform a reconciliation to determine if an overpayment or underpayment of the O&M Payment was made by the Company during the previous Bond Year. The overpayment or underpayment shall be determined by subtracting (a) the total O&M Payments paid by all the Companies for the previous Bond Year, from (b) the actual O&M Expenses for the same Bond Year. Any overpayments will be refunded to the Company within thirty (30) days following the ninety (90) day period after the end of such Bond Year and any underpayment shall be paid by the Company within 30 days of receipt of an invoice from the Manager for an underpayment.
- E. In the event that an O&M Repayment Amount is determined to be due during a Bond Year in accordance with the provisions of Section 404 hereof, the O&M Payment shall be adjusted as provided in such section.

Section 604: Contingent Rent.

- A. At least 120 days prior to the end of each Bond Year commencing with the Bond Year ending December 31, 2009, the Board shall prepare and deliver to the Trustee and the Companies its estimate of CFC Revenues and CFC Costs for the next Bond Year, make its determination as to whether the Rate Requirement was met for the then current Bond Year and will be met for the next ensuing Bond Year. If the Board projects that CFC Revenues for the ensuing Bond Year are to be insufficient to meet the Rate Requirement for the ensuing Bond Year without further increasing the then existing rate at which the CFC is imposed (a "CFC Deficit"), then the Board shall engage an Independent Airport Consultant to recommend actions to be taken to cure such projected CFC Deficit. If required to be engaged pursuant to the foregoing sentence, not less than 90 days prior to the end of each Bond Year, the Independent Airport Consultant shall prepare and present to the Director, the Aviation Board, the Trustee and the Companies the Rate Consultant's Report recommending one or more of (i) an increase in the per Transaction Day rate or the rate of such other method of calculating the CFC as shall then be provided for in the CFC Resolution, (ii) implementing Contingent Rent, (iii) imposing Supplemental Facility Charges or (iv) implementing any combination thereof for the ensuing Bond Year. If the Independent Airport Consultant in its Rate Consultant's Report determines that the required increase in the CFC rate will result in a reduction in annual Transaction Days greater than 25%, the Independent Airport Consultant shall recommend the implementation of Contingent Rent or a combination of one or more of Contingent Rent, other Supplemental Facility Charges and an increase in the CFC rate. In making such recommendation the Independent Airport Consultant shall consider, among other factors: (i) the historical and projected origination and destination traffic at the Airport; (ii) historical and projected

Transaction Days at the Airport; (iii) the Annual Debt Service requirements; (iv) the budgeted Administrative Costs and the actual Administrative Costs; (v) the estimated CFC Costs, (vi) the amounts required to be deposited to the Funds and Accounts and any existing or projected deficiencies therein; (vii) information provided by the Companies; and (viii) such other factors deemed relevant by the Independent Airport Consultant. Not less than 60 days prior to the end of the then current Bond Year, the Companies shall provide written notice to the Director and the Independent Airport Consultant if any thereof object to any portion of the Rate Consultant's Report. The Director or the Board as appropriate under the then CFC Resolution shall make a final determination regarding the plan to fund the estimated CFC Deficit for the next Bond Year.

- B. Upon the occurrence of (i) an unscheduled draw on the Coverage Fund or any Debt Service Reserve Account, (ii) the actual CFC Costs exceeded by 10% or more the monthly projected CFC Costs or (iii) the monthly CFC Revenues actually received were 90% or less of the monthly amounts projected for such Bond Year for a period of not less than 3 consecutive calendar months the latest of which three (3) months is within the first eight (8) months of a single Bond Year, the Trustee with respect to item (i) and the Director of Aviation with respect to items (ii) and (iii) shall immediately notify the others of the Trustee, the Director of Aviation and the Companies and then the Director of Aviation shall cause the Independent Airport Consultant to prepare an interim report recommending an adjustment to the CFC, implementation or increases in Contingent Rent and/or Supplemental Facility Charges or a combination of any thereof sufficient to restore the withdrawn amounts and remedy the increased CFC Costs or decreased CFC Revenues. However, the Independent Airport Consultant shall not recommend an increase in the CFC rate which would in his opinion result in a reduction in annual Transaction Days of greater than 25%. Upon receipt of such report, the Director of Aviation, as soon as reasonably practicable, shall take the actions required to increase Revenues by adjusting the rate of the CFC, implementing or increasing Contingent Rent and/or the Supplemental Facility Charges or implementing a combination of any thereof for the remainder of such Bond Year to the rates and amounts required so that Revenues for the then current Bond Year together with the amounts then on deposit in the Coverage Fund and the Rollover Coverage Account, if any, will at least equal the Rate Requirement for the current Bond Year plus the amount necessary to replenish the Coverage Fund or the respective Debt Service Reserve Accounts for the amounts transferred to the applicable Debt Service Accounts. The Director of Aviation shall notify the Companies and On Airport Rental Car Companies who are not Lessee(s), if any, of such adjustment and the date as of which such new CFC rate, Contingent Rent and/or Supplemental Facility Charges shall be charged and collected by the Companies and On Airport Rental Car Companies, if all are not included within the term Companies, with 30 days prior written notice.
- C. If Contingent Rent is being collected from the RACs, the amount of the Contingent Rent shall be reviewed not less than semi-annually and adjusted, as necessary, effective on the first day of (i) the second full calendar month following an such adjustment or (ii) each Bond Year as applicable and (iii) at any other time as required to satisfy the requirements of the CFC Master Indenture, and the Rate Covenant or at such other times as the Board deems necessary to meet the CFC Cost for any Bond Year.

- D. The payment of Contingent Rent or Supplemental Facility Charges by the Company to the Board shall be prorated on a monthly basis and paid monthly in advance on the first day of each month to the Board.
- E. No later than ninety (90) days following the end of each Bond year, the Board shall perform a reconciliation to determine if an overpayment or underpayment of Contingent Rent was made by the Company during the previous Bond Year. The overpayment or underpayment shall be determined by subtracting (a) the total CFC Revenues, plus the Contingent Rent, paid by all the rental car companies for the previous Bond Year, from (b) the CFC Cost for the same Bond Year. Any overpayments will be refunded to the Company within thirty (30) days following the ninety (90) day period after the end of such Bond Year and any underpayment shall be paid by the Company within 90 days of receipt of an invoice from the Board for an underpayment.
- F. The Company may not state Contingent Rent separately, or otherwise "pass through" Contingent Rent on its customer Rental Agreements.

Section 605: Security Deposit and Reserves.

- A. In order to guarantee the timely payment of Ground Rentals, Company must remit to the Board within ten business days of the date of DBO, a security deposit in an amount equal to three months of the Company's estimated Ground Rentals, pursuant to this Facilities Lease ("Rentals Security Deposit"). Such deposits must be in the form of a payment bond or an irrevocable direct pay letter of credit expiring no earlier than the expiration date of this Facilities Lease, from a bank acceptable to the Board, cash or such other form of security as the Board may deem acceptable.
- B. At any time that (i) any of the Company's Ground Rentals due hereunder are more than 30 days past due or (ii) Company fails to keep the Exclusive Use Premises and any interest therein and any improvements thereon free and clear of any and all liens in accordance with Article VII of this Agreement, the Board, ten (10) days after written notice to Company, will be entitled to apply any of the security deposit described above (Rental Security Deposit) to the payment of such unpaid amounts including any costs the Board incurs collecting amounts it is owed or to the costs of removal of such liens, as the case may be. In any such event, Company must again meet the security deposit requirements set forth above within seven business days from its receipt of such written notice; provided that if Company does not meet the security deposit requirements in a timely manner, the Board will be entitled to offset the security deposit against the next ensuing payments by the Company of the Ground Rentals and other fees and charges until such applicable portion of the security deposit is complete.

Section 606: Place and Manner of Payments to The Board.

Company must make payment in legal tender of the United States of America at the office of the New Orleans Aviation Board, as follows:

New Orleans Aviation Board
900 Airline Drive
Kenner, LA 70062

OR

New Orleans Aviation Board
P.O. Box 20007
New Orleans, LA 70141

Section 607: Payments Under Facilities Lease in Addition to Other Payments.

All amounts payable by the Company under this Facilities Lease shall be in addition to amounts payable by the Company under the Concession Agreement. All expenses incurred by the Company in connection with its operation and use of the CONRAC and its Service Center shall be paid by the Company directly without reduction of any other amounts payable by the Company under this Facilities Lease or the Concession Agreement and without right of reimbursement.

Section 608: Obligations Of Company Under Facilities Lease Unconditional.

- (a) Except as provided for in Section 1102 of this Facilities Lease, the obligations of the Company to make the payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional and shall not be subject to any defense (other than payment) or any right of set off, counterclaim, abatement or otherwise, unless specifically stated herein, and, until such time as this Facilities Lease has been paid in full. The Company (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments required to be paid hereunder, (ii) will perform and observe all of its other agreements contained in this Facilities Lease and (iii) will not suspend the performance of its obligations hereunder for any cause, including, without limiting the generality of the foregoing, its early termination of this Facilities Lease, surrender or abandonment of the CONRAC or its Service Center, or the relocation of the Company's car rental concession to a comparable site other than the CONRAC and its Service Center, any acts or circumstances that may constitute failure of consideration, failure of or a defect of title to the CONRAC, its Service Center, or any part thereof, eviction or constructive eviction, destruction, damage or condemnation to or of all or any part of the CONRAC or its Service Center, commercial frustration of purpose, any change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, or any failure of the Board to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Facilities Lease.
- (b) Nothing contained in this Article VI shall be construed to release the Board from the performance of any of the agreements on its part herein contained; and in the event the Board shall fail to perform any such agreement on its part, the Company may institute such action against the Board as the Company may deem necessary to compel performance, provided that no such action shall (i) violate the agreements on the part of the Company contained in the first paragraph of this Article VI or (ii) diminish the payments and other amounts required to be paid by the Company hereunder. The Company may, however, at its own cost and expense and in its own name or in the name of the Board (provided the Board is a necessary party) prosecute or defend any action or proceeding or take any other action involving third persons which the Company deems reasonably necessary in order to secure or protect its rights hereunder with respect to the CONRAC and the Service Center. In such event, the Board hereby agrees to cooperate fully with the Company and to take all action

necessary to effect the substitution of the Company for the Board in any such action or proceeding if the Company shall so request; provided that the Board shall not be required to take any act which, in the opinion of the Board Attorney, would be prejudicial to the rights or interests of the Board in connection with such action or proceeding or the facts giving rise thereto.

- (c) In the event the Company shall fail to make any of the payments required hereunder, the payment so in default shall continue as an obligation of the Company until the amount in default shall have been fully paid, and the Company will pay interest on such amount at the Past Due Interest Rate.

Section 609: Audits and Fiscal Charges.

The cost of the preparation of the annual statement of CFC Revenues certified by an independent certified public accountant or firm of certified public accountants, will be considered an Administrative Costs.

Section 610: Retention of Records.

Upon commencement of the Term, Company agrees that it will make available to the Board within 10 business days of written notice, the books and records of accounts of Company for the last three twelve month periods completed and the current Agreement Year, showing the information required under Article VI and other similar article(s) of this Facilities Lease relating to business conducted at the Airport, the deductions there from, and other pertinent information required by this Facilities Lease. Company's obligation to retain such books and records is limited to the extent required under this Facilities Lease and the Concession Agreement, until the Company retains sufficient books and records to meet the retention requirements stated above. Upon the Board's prior written notice such books and records of accounts must be accessible during regular business hours to Board or its duly authorized agents or auditors only for the purpose of verifying compliance by Company with the terms of Facilities Lease and the Concession Agreement. At the Board's request, Company will pay for the copying and delivery of all records and books requested by the Board. In the event the Board determines that the auditors need to travel to the Company's location where the books and records are kept, Company will pay for the reasonable and customary travel and other incidental costs incurred by the Board's auditors.

Section 611: Board's Right to Audit Statements and Reports.

Board shall have the right to audit the statements and reports provided by Company in accordance with Article VI herein. Except as provided in Section 609 above, the costs of the audit shall be borne by Board; unless the audit reveals an underpayment of fees, as defined in Article VI, to Board by Company of 5% or greater, or if the audit reveals that the condition of the Company's records is such that the revenue due Board cannot reasonably be properly determined. In the event of either condition described above, the reasonable cost of the audit, including any applicable travel costs, must be borne by the Company and must be paid within five business days of receipt of an invoice. Further, any underpayments that are revealed which are 5% or greater will be assessed a service charge equal to the Past Due Interest Rate.

**ARTICLE VII
TENANT IMPROVEMENTS**

Section 701: Construction By Company.

Subject to the provisions of Article VII, the Company may construct on the Exclusive Use Premises such additional facilities as are required by their operation and approved by the Director. Any construction, modifications, and/or improvements made by the Company must be completed in accordance with the Board's most current version of the Tenant Improvement Agreement and Design Construction Guidelines, which are attached hereto as Exhibit H. In such cases, where the language in this Facilities Lease and the then-applicable Tenant Improvement Agreement conflict, the Tenant Improvement Agreement will supersede this Facilities Lease, as it relates only to the construction, modifications and improvements being considered.

Section 702: Preparation of Plans and Specifications.

The Company must develop detailed drawings, plans and specifications for any improvements it intends to make to its Exclusive Use Premises.

Section 703: Design Control.

Plans and specifications for the construction and installation of the improvements and the equipment must be submitted to the Director for his written approval prior to commencement of construction or installation of said improvements and equipment.

The Director will furnish an outline of the design submission requirements, including design criteria and standards.

Section 704: Setback.

All buildings and structures erected in the Exclusive Use Premises by Company must be set back in accordance with the Airport layout plan and plans applicable to the Exclusive Use Premises, and will be subject to the applicable building codes, zoning and general ordinances, rules and regulations of the Board, the City, the Parish of Jefferson and the City of Kenner Louisiana.

Section 705: Federal Aviation Administration (FAA) Review.

All preliminary plans, prior to commencement of working drawings and specifications, delivered to the Director in accordance with Section 703 will be submitted, by the Board, for the review and approval of the FAA, as may be required. The preliminary plans must show plot plans, building and other structures, objects and facility location and their elevations, and must indicate proposed exterior materials and finishes on all structures and objects. It will be the responsibility of the Company to file all necessary alteration and construction forms with the Director for submission to the FAA for approval, as may be required.

Section 706: Landscaping and Screening.

The Company may, if applicable, provide and install landscaping and screening, including lawn, shrubbery, trees, bushes, vines and other plantings on the Exclusive Use Premises as a part of any construction. All proposed landscaping plans and screening designs must be submitted to the Director for review and approval. The Company further agrees to maintain and or replace all landscaping and screening and to provide any further landscaping and fencing that may be required during the Term hereof by the Director for the purpose of screening from public view any area of the Exclusive Use Premises where Rental Car maintenance and preparation is conducted.

Section 707: Contractor's Liability Insurance.

In any construction contract, between the Company and its contractors appertaining to improving and equipping the Exclusive Use Premises, the Company must require the contractor to insure the Board, its Commissioners, the City, the City Council, and their respective officers, agents and employees, against the risk of claims and demands, just or unjust, by third persons against the City, its City Council, the Board and its Commissioners and their respective officers, agents and employees, against and from all such claims and demands, with bodily injury limits of not less than \$500,000 as to any one person and \$1,000,000 as to any one occurrence, and with property damage limits of not less than \$1,000,000 as to any one occurrence. Said insurance requirements may change from time to time and must be in a form reasonably agreeable to the Board.

It is expressly agreed that the Board shall not execute any contract with any contractor, sub-contractor, workman, or supplier of labor, materials, equipment or supplies for the acquisition, equipping or installing of any improvements made by the Company to the Exclusive Use Premises, and therefore as provided in La. R. S. 9:4802 the Board shall not and does not constitute an owner which has contracted with any such entity as an owner which has agreed in writing to the price and work of any contract of the Company wherein such owner has specifically agreed to be liable for any claims granted by the provisions of La. R.S. 9:4802. Accordingly any contractor, sub-contractors, laborers, and material suppliers with respect to any improvements to the Exclusive Use Premises shall not be entitled to the privilege granted by La. R. S. 9:4801 and 4802 on the Property or any portion of the Consolidated Facility, including without limitation, the Exclusive Use Premises. However, as provided in subpart D of La. R. S. 9:4806 such entities may have a privilege upon the Company's rights in this Facilities Lease but any such privilege shall be inferior and subject to all of the rights of, or obligations owed to the Board, including the right to terminate this Facilities Lease for nonperformance by the Company.

Section 708: Certificates of Completion.

Upon the completion of improvements, made by the Company, on the Exclusive Use Premises, the Company must submit to the Director a copy of its acceptance letter certifying completion, and a certified copy of any certificate or permit which may be required by federal, state or local government or agency in connection with the completion or occupancy thereof by the Company.

The Company must deliver to the Board duplicate copies of 'as-built' plans and specifications of completed improvements on the Exclusive Use Premises within 30 days after the date on which the Company has certified completion thereof. At the same time, the Company must, submit to the

Director an itemized statement prepared and certified by the architect and engineer for the design and construction of the facilities and certified by an officer of the Company, showing the actual cost of such improvements, and must, if so requested by the Board in writing, produce copies of all invoices and other records in connection therewith. Said itemized statement must, unless disputed in writing by the Board within 60 days next following receipt thereof from the Company, constitute *prima facie* evidence of the costs shown therein.

Section 709: Title to Exclusive Use Premises and The Improvements.

Title to the Exclusive Use Premises will at all times remain in the City subject to the Board's right to operate and administer same. At the termination of this Facilities Lease, title to the Company's leasehold improvements, excepting the Company's trade fixtures, equipment and other property brought, installed or placed by the Company in, on or about the Exclusive Use Premises will vest in the Board, free and clear of all liens and encumbrances.

Section 710: Mechanic's and Material men's Liens.

The Company agrees not to permit any mechanic's or material men's or any other lien to be foreclosed upon the Consolidated Facility or any part or parcel thereof, or the improvements thereon, by reason of any work or labor performed or materials furnished by any laborer or material supplier or for any other reason.

Section 711: Performance and Payment Bonds.

In order to guarantee the completion of all improvements to the Exclusive Use Premises undertaken by the Company and the payment of all laborers and material suppliers, the Company must ensure that a performance and payment bond is furnished to the Board in the full amount of any contract for such work. Said performance and payment bond must be in a form satisfactory to the Board and must comply with the coverage requirements and conditions of the Statutes of Louisiana. All sums derived from any performance and payment bond must be used for the completion of said improvements and the payment of laborers and material suppliers.

**ARTICLE VIII
UTILITIES AND SERVICES**

Section 801: Utilities.

- A. The Board, as a cost of providing the CONRAC, shall construct, install and maintain, or have constructed, installed and maintained, within the utility corridor adjacent to the Ground, sanitary sewer gravity main, electrical primary line, telecommunication primary cabling, non-potable water main and potable water distribution conduit.
- B. The Company shall pay all charges for utility services consumed by it on the Exclusive Use Premises all of which shall be individually metered and provided and maintained, at the Company's sole expense, including such telecommunication facilities and services as it may

deem necessary and not otherwise prohibited by this Facilities Lease. Any power and telecommunication lines constructed or installed by or for the Company shall be placed underground. The Board is under no obligation to furnish at its expense janitorial services, or any other utility or services for the Exclusive Use Premises.

Section 802: Interruption Of Utilities Services.

The Company agrees that the Board shall not be liable for failure to supply any utility services. The Board reserves the right to temporarily discontinue utility services at such time as may be necessary by reason of accident, unavailability of employees, repairs, alterations or improvements or whenever by reason of strikes, lockouts, riots, acts of God or any other happenings beyond the control of the Board, the Board is unable to furnish such utility services. The Board shall not be liable for damages to persons or property for any such discontinuance, nor shall such discontinuance in any way be construed as cause for abatement of rent or operate to release the Company from any of its obligations hereunder, except as otherwise provided for in the Lease.

**ARTICLE IX
INDEMNIFICATION AND INSURANCE**

Section 901: Insurance.

Exclusive Use Premises. At all times during the Term hereof, Company, at its own expense, covenants and agrees to obtain and keep in force during the Term of this Facilities Lease and with respect to its use and occupancy of the CONRAC, insurance coverage not less than the types and amounts specified in this section. In the event that additional insurance, not specified herein, is required during the term of this Facilities Lease, Company shall supply such insurance at Board's cost.

- A. General Liability Insurance. Company will cause Board and Company to be insured on an occurrence basis, under policies no more restrictive than the standard form of comprehensive liability policy, against the claims of any and all persons for personal or bodily injury (including wrongful death) in a sum of not less than \$2,000,000 for any one person, and not less than \$5,000,000 for any one occurrence occurring at the CONRAC or on the Airport or incidental to the operations of Company hereunder and not less than \$1,000,000 for each occurrence of damage to the property of others. Such insurance must specifically insure the obligations of Company, under Section 907 hereof, to indemnify the Board and the City.

Insofar as said insurance provides protection against liability for damages to third parties for bodily injury, death and property damage, the Board and the City must be included as a named insured; provided, however, such liability insurance coverage also must extend to damage, destruction and injury to City-owned or leased property and Board personnel caused by, or resulting from, the work, acts, operations or omissions of Company, its officers, agents, employees and independent contractors on the Airport. The Board will have no liability for any premiums charged for such coverage. The inclusion of the Board and the City as a named

insured is not intended to, and must not, make either a partner or joint venturer with Company in its operations on the Airport.

Company and Board understand and agree that the minimum limits of insurance herein required may become inadequate. Company agrees that it will increase such minimum limits upon receipt of notice in writing from the Director provided that the requested increase is reasonable. Such notice to change, in general, must be issued no more frequently than every fifth year of the Term hereof. The Director may increase the minimum insurance limits if he reasonably determines at any time that the indemnification awards granted by the courts warrant such an increase, provided that the Director gives Company notice of any such intent to increase the minimum insurance limits and affords the Company an opportunity to comment prior to instituting any such increase.

The policy shall be written or endorsed to include the following provisions:

1. Severability of Interests Coverage applying to Additional Insureds;
2. Contractual Liability;
3. Per Project Aggregate Liability limit or, where not available, the aggregate limit shall be \$20,000,000;
4. No Contractual Liability Limitation Endorsement;
5. Additional Insured Endorsement, ISO form CG20 10, current edition or its equivalent.

B. Worker's Compensation and Employer's Liability Insurance. Company must keep in force Worker's Compensation and Employer's Liability Insurance in the form and in the amount prescribed by law for such coverage, including Employers Liability with limits of:

1. Workers' Compensation – Statutory;
2. Employers Liability -- \$500,000 per accident with limits of: \$500,000 disease-policy limit; \$200,000 disease-each employee.

Policy will contain a Waiver of Subrogation in favor of the City of New Orleans and the New Orleans Aviation Board. Company must not opt out of or otherwise fail to maintain such coverage notwithstanding any provision in Louisiana State law, which would allow an employer that option, without the written approval by the Board. Company must include the same requirement in any construction contracts it enters into pursuant to this Facilities Lease and must therein require all subcontractors there under to likewise satisfy this requirement for Worker's Compensation and Employer's Liability Insurance. Coverage required hereunder must in all things comply with the substantive requirements for such coverage contained in Louisiana State law.

C. Comprehensive Automobile and Truck Liability Insurance. Company must keep in force Comprehensive Automobile and Truck Liability Insurance covering owned, hired, and non-owned vehicles with minimum limits of \$2,000,000 combined single limit per occurrence for personal or bodily injuries, including death, and property damage. Coverage provided shall be on an "any auto" basis and written on an "occurrence" basis. This insurance will be written on a Commercial Business Auto form, or acceptable equivalent, and will protect against claims

arising out of the operation of motor vehicles, as to acts done in connection with the Facilities Lease.

D. Contractual Liability Insurance. Company must keep in force Contractual Liability coverage including, but not limited to, the liabilities assumed under the indemnification provisions of this Facilities Lease.

E. Umbrella/Excess Liability Policy. With respect to any Company construction pursuant to this Facilities Lease, Company must keep in force an Umbrella/Excess Liability Policy, during construction, in the amount of \$10,000,000, as an excess of the primary coverage required above.

F. Full Replacement Cost. Company must keep in force insurance on all of the improvements on the Exclusive Use Premises (now or hereafter existing) or used in connection therewith against any loss or damage by fire, flood, wind, earthquake and other or any casualties or peril, and all other perils as are included within what is commonly known as "all risk coverage" for any improvements on the Exclusive Use Premises with full replacement cost insurance, in amounts sufficient to prevent the Board from being or becoming a co-insurer within the terms of the policy or policies in question and in no event less than the full replacement cost value thereof, exclusive of the cost of foundations, excavations, and footings below the lowest basement floor, and without any deduction being made for depreciation. The replacement cost value shall be determined from time to time, but not more frequently than once in any twelve (12) consecutive calendar months at the request of Board, by an appraiser, architect and/or contractor. All property insurance proceeds shall promptly be deposited with the Board. All claims shall be adjusted with the Airport and any payments for damage shall be paid to the Airport. The Company shall be responsible for any deductible.

Common Areas. The Company represents warrants and agrees that it will cause the Manager to obtain and pay the premiums for insurance relating to the Common Areas of the CONRAC of the type and in the limits set forth in items A through F above of this Section 901 and in accordance with the provisions of Sections 902 through 906 herein below, to the extent applicable to the Common Areas. In the event the Manager is created by the Board as its agent to operate the Common Areas of the CONRAC, the Board will insure such areas in accordance with the recommendations of its insurance consultants.

Section 902: Limitations As To Policy.

The policy of insurance required herein must be in a form and by a company or companies with a Best rating of A- or better, approved by Board and qualified to do insurance business in the State of Louisiana. Each policy must provide that the insurer may not materially change, alter or cancel the policy without first giving ten days' advanced written notice to the Director. No policy may be canceled until after thirty (30) days written notice of cancellation to Board, ten (10) days in the event of nonpayment of premium. The Commercial General and Automobile Liability Insurance specified above shall provide that the Board and its agencies, officials, officers and employees, while acting within the scope of their authority, will be named as additional insureds for the services performed under this Facilities Lease. Company shall provide to Board at execution of this Lease a certificate of insurance showing all required endorsements and additional insureds.

Company shall provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of Company under this Facilities Lease. Company agrees that all claims will be handled by a person with a permanent office in the New Orleans Metropolitan area or Baton Rouge.

Section 903: Delivery To Director Of Evidence Of Insurance.

Company must deliver to the Director, without request or demand, a certificate or other evidence of insurance coverage required by this Article in form and content satisfactory to Board. Company must update such certificate or other evidence of insurance annually.

Section 904: Expiration Of Insurance Policy.

Prior to the expiration of any insurance policy required by this Article, Company must submit to the Director a certification of insurance showing that such insurance coverage has been renewed. If such coverage is cancelled or reduced, Company, within five business days following the date of written notice from the insurer of such cancellation or reduction in coverage, must file with the Director a certificate showing that the required insurance has been reinstated or provided through another insurer or insurers.

Section 905: Adjustment of Claims.

Company must provide for the prompt and efficient handling of all claims for bodily injury, property damage or theft arising out of the activities of Company under this Facilities Lease. Company agrees that a person, whether processed by Company or its insurer directly or by means of an agent, will handle all such claims, with a permanent office in the greater New Orleans Metropolitan Area.

Section 906: Conditions of Default.

If, at any time, Company fails to obtain the insurance required herein, Board may affect such insurance by taking out a policy or policies in a company or companies satisfactory to Board. The amount of the premium or premiums paid for such insurance must be payable by Company to Board with the installment of fees thereafter next due under the terms of this Facilities Lease, with interest thereon at the rate of one and one-half percent (*1.5%*) per month or at the lower legal maximum.

Section 907: Indemnification.

Company must defend, indemnify, and hold harmless the Board, the City and any of their agencies, officials, officers, or employees from and against all claims, damages, liability, losses, costs, and expenses, including reasonable attorneys' fees, arising out of or resulting from any acts or omissions in connection with this Facilities Lease, caused in whole or in part by Company, its employees, agents, or subcontractors, or caused by others for whom Company is liable. The indemnity provision set forth herein will survive the expiration or early termination of this Facilities Lease.

**ARTICLE X
TERMINATION OF FACILITIES LEASE IN ENTIRETY**

Section 1001: Board's Right to Terminate.

The Board, acting by and through its Director, may declare this Facilities Lease terminated in its entirety, in the manner provided in Section 1003 hereof, upon the happening of any one or more of the following events:

- A. Company defaults in collection and remittance of the CFC, payment of all or any part of the rentals and/or fees due Board under this Facilities Lease. Default of any kind under the Concession Agreement, the Manager Operating Agreement, or the Manager Member's Agreement will constitute a default under all agreements, including this Facilities Lease, between Company and Board;
- B. Company's failing to perform or violation of any provision, covenant or condition of this Facilities Lease (other than payment of money) within thirty (30) days after written notice or, if the cure or performance thereof reasonably requires more than thirty (30) days to complete, Company's failing to begin cure or performance thereof within such thirty-day period and proceed diligently to cure or completion thereafter;
- C. Use of the CONRAC or the Service Center for anything other than the use specified in this Facilities Lease;
- D. Company vacates, abandons or deserts the Exclusive Use Premises or fails to occupy the Exclusive Use Premises for more than thirty (30) consecutive days;
- E. The suspension or revocation of any act, power, license, permit or authority that prevents Company from fully complying with all of the rights and obligations hereunder for any material period;
- F. The levy of any attachment or execution of any process of a court of competent jurisdiction which does or, as a direct consequence of such process, will interfere with its operations under the Facilities lease, and which is not enjoined, vacated, dismissed or set aside within a period of 30 days;
- G. Company takes any one of the following actions signifying commencement of insolvency proceedings:
 - 1. Applies for, or consents to the appointment of, a receiver, trustee, or liquidator of all or a substantial part of Company's assets;

2. Files a voluntary petition in bankruptcy, or admits in writing Company's inability to pay its debts as they become due;
 3. Makes a general assignment for the benefit of creditors;
 4. Files a petition or an answer seeking reorganization or arrangement with creditors or to take advantage of an insolvency law;
 5. Files an answer admitting the material allegations of a petition filed against any assignee in any bankruptcy, reorganization or insolvency proceedings; or, if during the Term of Facilities Lease, an order, judgment or decree is entered by a court of competent jurisdiction, or the application of a creditor, adjudicating of Company as bankrupt or insolvent, or approving a petition seeking a reorganization of Company, and such order, judgment or decree continues without stay and in effect for any period of 90 consecutive days;
 6. The appointment of a receiver or trustee of the Company's or its assignee's or sublessee's assets by a court of competent jurisdiction or a voluntary agreement with Company's creditors;
 7. Fails in the performance of any other covenant or condition herein required to be performed by Company;
- H. The Term of this Facilities Lease and Company's right, title and interest herein, will expire on the date set forth in the notice of termination, except as provided below in Section 1003; or
- I. Board's failure to take any authorized action upon Company's default as to any of the terms, covenants or conditions required to be performed hereunder must not be construed to be or act as a waiver of default or of any subsequent default of any of the terms, covenants and conditions herein contained to be performed, kept and observed by Company. The acceptance of fees by Board from Company for any period or periods after a default by Company of any of the terms, covenants and conditions herein required to be performed, kept and observed by Company will not be deemed a waiver or estoppel of any right on the part of Board to terminate this Facilities Lease for failure by Company to so perform, keep or observe any term, covenant or condition.
- J. Upon default by Company of this Facilities Lease under A through G above, Board may do any one or more of the following:
1. Terminate this Facilities Lease in accordance with Section 1003;
 2. Re-enter the Exclusive Use Premises and every part thereof on the effective date of termination of this Facilities Lease without further notice of any kind, remove any and all persons therefrom and regain and resume possession either with or without the institution

of summary or legal proceedings. Such re-entry, however, shall not in any manner affect, alter or diminish any of the obligations of Company under this Facilities Lease;

3. Upon termination of this Facilities Lease or upon re-entry, regaining or resumption of possession of the Exclusive Use Premises, occupy the Exclusive Use Premises and have the right in the name of the Board to relet and permit any person, firm or corporation to enter the Exclusive Use Premises and use the same for such term and on such conditions as Board may determine;
4. Perform, on behalf and at the expense of Company, any obligation of Company under this Facilities Lease which Company has failed to perform and of which Board have given Company notice, the cost of which performance by Board, together with interest thereon from the date of such expenditure, shall be deemed additional rent and shall be payable by Company to Board upon demand. Notwithstanding the provisions of this clause and regardless of whether a default shall have occurred, Board may exercise the remedy described in this clause without any notice to Company if Board, in its good faith judgment, believes it would be materially injured by failure to take rapid action or if the unperformed obligation of Company constitutes an emergency; and
5. Any other remedy that Board may have under law or equity.

Section 1002: Company's Right to Terminate.

Company, at its option, may declare this Facilities Lease terminated in its entirety, with no penalty to the Company, in the manner provided in Section 1003 hereof, upon the happening of any one or more of the following events:

- A. A court of competent jurisdiction issues an injunction or restraining order against Board preventing or restraining, in its entirety or substantial entirety, the use of the Airport for airport purposes.
- B. Board abandons the Airport for a period of at least 90 consecutive days and fails to operate and maintain the Airport in such manner as to permit landings and takeoffs of airplanes by scheduled air carriers.
- C. The Airport or a material portion of the Airport or Airport facilities is destroyed, resulting in material interference with Company's normal business operations or substantial diminution of Company's Gross Revenues at the Airport for a period in excess of 90 consecutive days.
- D. An agency or instrumentality of the United States Government or any state or local government occupies the Airport or a substantial part thereof, resulting in material interference with Company's normal business operations or substantial diminution of Company's Gross Revenues at the Airport for a period in excess of 90 consecutive days.
- E. A military mobilization or a public emergency occurs wherein there is a curtailment, either by executive decree or legislative action, of normal civilian traffic at the Airport or of the

use of motor vehicles or airplanes by the general public, resulting in material interference with Company's normal business operations or substantial diminution of Company's Gross Revenues at the Airport for a period in excess of 90 consecutive days.

- F. Board fails in the performance of any covenant or condition within Board's control and herein required.

Section 1003: Procedure For Termination.

- A. Notice. No termination declared by either party will be effective unless and until no fewer than forty-five (45) calendar days have elapsed after notice by either party to the other specifying the date upon which such termination will take effect and the cause for which this Facilities Lease is being terminated. No termination will be effective if such cause of default, by its nature, cannot be cured within such forty-five (45) calendar day period, and the defaulting party commences to correct such default within five (5) business days of notice of such default and corrects the default as promptly as is reasonably practicable.
- B. Attorneys Fees. In the event that Board initiates suit upon the default of payment of fees as provided herein, Company also agrees to pay the Board for expenses incurred by it for reasonable attorney's fees.
- C. No Notice to Quit Possession. No notice to quit possession at the expiration date of the term of this Facilities Lease shall be necessary. Company agrees that at the expiration date of the term of this Facilities Lease, or at the earlier termination thereof, it shall peaceably surrender possession of the Exclusive Use Premises in good condition, reasonable wear and tear and acts of God excepted. Board shall have the right to re-enter and take possession of the Exclusive Use Premises at that time with or without process of law.
- D. Holding Over. Should Company hold over the use of or continue to occupy the Exclusive Use Premises or any part thereof after the termination of the letting, the holding over shall be deemed merely a tenancy from month to month upon a monthly rental in an amount equal to the rate existing at the end of the Facilities Lease term (subject, however, to reappraisal as provided for in Article VI, Section 603 of this Facilities Lease).
- E. Waiver. No acceptance by Board of the rent and charges or other payments specified herein, in whole or in part, and for any period or periods, after a default of any of the terms, covenants and conditions to be performed, kept or observed by Company, other than the default in the payment thereof, shall be deemed a waiver of any right on the part of Board to cancel or terminate this Facilities Lease on account of such default. No waiver by Board at any time of any default by Company shall be or be construed to be a waiver at any time thereafter by Board of any other or subsequent default in performance of any terms, conditions, covenants and no notice by Board shall be required to restore or revive time as of the essence hereof after waiver by Board of default in one or more instances.
- F. Waiver of Redemption and Damages. Company hereby waives any and all rights or redemption granted by or under any present or future law or statute arising in the event it is

evicted or dispossessed for any cause or in the event Board obtains or retains possession of the Exclusive Use Premises in any lawful manner. Company further agrees that in the event the manner or method employed by Board in reentering or regaining possession of the Exclusive Use Premises gives rise to a cause of action in Company for damages or in forcible entry and detainer under the laws of the State of Louisiana, then the total amount of damages to which Company shall be entitled to in any such action shall be the sum of One Dollar (\$1.00) and Company agrees that the provisions of this section may be filed in any such action as its stipulation fixing the amount of damages to which it would be entitled therein.

- G. Termination from Taking. If during the term of this Facilities Lease there shall be a taking of the whole or substantially all of the CONRAC, this Facilities Lease shall terminate and expire on the date of such taking and the rent payable hereunder shall be equitable apportioned and paid to the date of such taking. "Substantially all of the CONRAC" shall be deemed to have been taken if the untaken part of the CONRAC shall be insufficient for the continued economic and feasible operation of the Company's business in connection therewith.
- H. Personal Property not Removed. Any personal property of Company which shall remain in or on the Exclusive Use Premises after the termination of this Facilities Lease may, at the option of Board, be deemed to have been abandoned by Company and either may be retained by Board as its property or be disposed of, without accountability, in such manner as Board may see fit, or if Board shall give written notice to Company to such effect, such property shall be immediately removed by Company at Company's sole cost and expense.

Section 1004: Rights Cumulative.

The parties understand and agree that the rights and remedies of Board and Company specified in this Article are not intended to be, and are not, exclusive of one another or exclusive of any common law right of either party hereto.

**ARTICLE XI
DAMAGE, DESTRUCTION OR LOSS**

Section 1101: Loss or Damage to Property.

The Board shall not be liable for any loss of property by theft or burglary from the Airport or for any damage to person or property on the Airport resulting from electric lighting or water, rain or snow, which may come into or issue or flow from any part of the Airport or Airport site, or from the pipes thereof, or that may be caused by the Board's employees or any other cause, and the Company agrees to make no claim for any such loss or damage at any time.

Section 1102: Taking.

The term "Taking," as used in this Section 1102, shall mean the taking of all or any portion of the CONRAC as a result of the exercise of the power of eminent domain or condemnation for public or quasi-public use or the sale of all or part of the CONRAC under the threat of condemnation. The term "Substantial Taking," as used in this Section 1102, shall mean eviction or constructive eviction, destruction, or condemnation or a Taking of so much of the CONRAC that, in the judgment of the Company, the CONRAC cannot thereafter be reasonably used by the Company for carrying on, at substantially the same level or scope, the business theretofore conducted by the Company on the CONRAC. The term "Insubstantial Taking," as used in this Section 1102, shall mean a Taking such that, in the judgment of the Company, the CONRAC can thereafter continue to be used by the Company for carrying on, at substantially the same level or scope, the business theretofore conducted by the Company on the CONRAC.

In the case of a Substantial Taking of the CONRAC, except as otherwise hereinafter provided in this Section 1102, the Board shall promptly commence and complete, or cause the prompt commencement and completion, with due diligence (subject to delays beyond its control), the restoration or replacement of the CONRAC as nearly as reasonably practicable to the value and condition thereof immediately prior to such Substantial Taking, however, the Board, within 120 days after a Substantial Taking, may elect not to restore or replace the CONRAC.

In the event of an Insubstantial Taking of the CONRAC, this Facilities Lease shall continue in full force and effect, the Board shall proceed to cause the CONRAC to be restored as nearly as practicable to the condition thereof immediately prior to such Insubstantial Taking and there shall be no abatement of rentals payable hereof except as otherwise provided in this Section 1102.

In the event of a Taking, the Ground Rentals shall be abated and proportionately reduced in the ratio, that the Taking bears to the entire area of the Ground immediately prior to such Taking.

ARTICLE XII
AFFIRMATIVE ACTION, EQUAL EMPLOYMENT AND NON-
DISCRIMINATION

Section 1201: Equal Employment and Non-Discrimination.

The Company shall for the Term of this Facilities Lease abide by the DBE policies as set forth by the New Orleans Aviation Board and shall comply fully with the requirements of 14 CFR Part 152, Subpart E, to ensure that no person on the grounds of race, religion, color, sex, disability or national origin, shall be excluded from participating in any employment activities covered in 14 CFR Part 152, Subpart E. Company assures that no person shall be excluded on these grounds from participating in or receiving the services or benefits of any program or an activity covered by this Subpart. Company further assures that it will require its covered sub-organizations provide assurance to the Board that they similarly will undertake implementation of similar affirmative action plans and that they, to the same effect, will require assurance from their sub-organizations as required by 14 CFR Part 152, Subpart E.

Section 1202: Contract Compliance Report.

No later than twenty (20) days following the end of each calendar quarter, Company shall submit to the DBE Liaison Officer a completed contract compliance report in a form to be specified by the DBE Liaison Officer.

Section 1203: Non-Compliance.

Continued Non-Compliance with the ACDBE participation provisions as stated herein including, but not limited to, reporting requirements set forth in this Article XII shall constitute a material breach hereof, and in the event of such noncompliance, the Board shall have the right at its sole discretion, to terminate this Facilities Lease or, at its option, assess liquidated damages in the form of fines as set forth below to be paid to the Board within thirty (30) days of such assessment. For purposes of this Section 1203, "Continued Non-Compliance" shall mean two or more written determinations of non-compliance issued by the DBE Liaison Officer during the Term.

In the event of Continued Non-Compliance, the Board may assess liquidated damages in an amount equal to thirty-five percent (35%) of the difference between the total amounts attributable to ACDBE participation during the applicable Lease Year had there been compliance with the thirty-five percent (35%) ACDBE participation goal and the amounts actually generated by ACDBE entities during said Lease Year.

Section 1204: Adoption of Additional Provisions.

The parties hereto understand and agree that the Board, from time to time, may be required by the United States Government or its agencies to adopt additional or amended provisions, including anti-discrimination provisions, concerning the use and operation of the Airport and the Consolidated Facilities. The Company hereby agrees to adopt any such requirements as a part of this Facilities Lease provided that such requirements are applicable to its operations at the Airport.

ARTICLE XIII
COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

Section 1301: Compliance with Environmental Laws and Regulations.

- A. Company hereby covenants and agrees to comply with all applicable Environmental Laws and Regulations in connection with its use and occupancy of the CONRAC and its Service Center. For purposes of this Facilities Lease, "Environmental Laws" means and includes all Federal, state and local statutes, ordinances, regulations and rules relating to environmental quality, health, safety, contamination and clean-up, including, without limitation, the Clean Air Act, 42 U.S.C. §7401 *et seq.*; the Clean Water Act, 33 U.S.C. §1251 *et seq.* and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. §136 *et seq.*; the Noise Control Act, 42 U.S.C. §4901 *et seq.*; the Occupational Safety and Health Act, 29 U.S.C. §651 *et seq.*; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §6901 *et seq.*, as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. §300f *et seq.*; the

Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. §9601 *et seq.*, as amended by the Superfund Amendments and Reauthorization Act, the Emergency Planning and Community Right-to-Know Act, and the Radon Gas and Indoor Air Quality Research Act; the Hazardous Material Transportation Act (49 U.S.C. §9601 *et seq.*); the Toxic Substances Control Act ("TSCA"), 15 U.S.C. §2601 *et seq.*; all Louisiana State environmental protection, super lien and environmental clean-up statutes, with implementing regulations and guidelines and all local laws, regulations and ordinances insofar as they are equivalent or similar to and not preempted by Federal or state laws recited above or purport to regulate Hazardous Materials.

B. Review of Environmental Documents. Company, at the written request of Board, must make available for inspection and copying, at Board's cost and expense, upon reasonable notice and at reasonable times, any or all of the documents and materials Company has prepared to satisfy the requirements of any Environmental Law or submitted to any governmental regulatory agency; provided, that such documents and materials relate to environmental issues or Environmental Laws and are pertinent to the Airport or the CONRAC and the Service Centers.

1. Access for Environmental Inspection. Board must have access to the CONRAC and the Service Centers upon notice to Company and at reasonable times, to inspect the same in order to confirm Company is using the CONRAC and its Service Center in accordance with Environmental Laws. The costs of any testing deemed necessary by the Board as a result of an environmental inspection in order to establish compliance as set forth in Section 1301 (A) above, will be the responsibility of the Company.
2. Environmental Noncompliance. If Company receives a notice of violation for an alleged failure to comply with an applicable Environmental Law from the regulatory agency responsible for implementation of said Environmental Law, and Company fails to correct the alleged noncompliance within a reasonable period or does not appeal the Notice of Violation, then Board, in addition to its rights and remedies provided elsewhere within this Facilities Lease, may enter the CONRAC and Service Center upon reasonable written notice to Company and at reasonable times, and take all reasonable and necessary measures as required by Environmental Laws, at Company's expense, to ensure compliance with Environmental Laws.
3. Written Authorization Necessary to Store, Use or Dispose of Hazardous Materials. Company must not store, use or dispose of any Hazardous Materials in the CONRAC or its Service Center, except those Hazardous Materials used in the ordinary course of car rental operations, unless Company first secures the written authorization of the Board, which shall not be unreasonably withheld, and complies with any reasonable conditions Board may impose, which reasonable conditions shall be consistent with Environmental Laws, including the submission to Board of all Material Safety Data Sheets for the Hazardous Materials to be stored. Failure of the Board to respond to a request for authorization within ten (10) Business Days from receipt of the request shall be deemed approval.

4. Duty to Notify Board. In the event of Company's knowledge of a release or threatened release of Hazardous Materials, as defined under B (10) of this Section, into the environment relating to or arising out of Company's use or occupancy of the CONRAC and/or its Service Center, Company must notify the Board by contacting the Airport Environmental Manager or the Airport's Communication Center immediately after release. In the event any written claim, demand, action or notice is made against Company regarding Company's failure or alleged failure to comply with any Environmental Laws, Company must notify Board in writing and must provide Board with copies of any written claims, demands, notices, or actions so made.
5. Environmental Remediation. Company must undertake such steps to remedy and/or remove any Hazardous Materials and any other environmental contamination that arises out of Company's use of the CONRAC or its Service Center that are necessary and required by Environmental Laws to protect the public health and safety and the environment from actual or potential harm as determined by the responsible regulatory agency and to bring the CONRAC and/or the Service Center into compliance with all Environmental Laws. Such work must be performed at Company's expense. The Board must cooperate with the Company so as not to inhibit such work. Company must submit to Board its proposed plan for completing such work at the time submitted to responsible regulatory agency. Upon reasonable written notice to Company, Board must have the right to review and inspect all such work at any time using consultants and representatives of its choice at Board's cost and expense.
6. National Emission Standards for Hazardous Air Pollutants. Company warrants that all planning, design, fabrication, installation, construction, start-up, testing, maintenance and repair work performed pursuant to this Facilities Lease will be performed in accordance with any applicable National Emission Standards for Hazardous Air Pollutants (NESHAP), 40 C.F.R. 61.145.
7. Storm Water Compliance. The Company shall maintain fuel systems and oil water separators to prevent discharge of petroleum contaminants into the waterways that would negatively impact the Board's National Pollutant Discharge Elimination System permit. Outside use of soaps, surfactants or materials that would ultimately enter the storm water and negatively impact the Board's NPDES permit is prohibited. The Company will be responsible for immediately containing spills and immediately cleaning/remediation any release that can or will impact the storm water systems. Any release or spill, whether or not of a quantity reportable under Environmental Law must be reported to the Board immediately, if it cannot or will not be cleaned up prior to entering any storm water systems. In the event a release is determined to be beyond the Company's ability to safely address or should the release present an immediate hazard to life or property, the Company shall notify the Airport immediately.
8. Regulated Storage Tanks The Company shall be responsible for regularly monitoring, testing and inspecting its regulated storage tanks, underground storage

tanks (UST) and above ground storage tanks (AST) in accordance with all applicable Environmental Laws. The Company shall immediately notify the Board of any release(s) as defined by the applicable environment laws. In the event that the Company removes and or replaces the storage tank, or abandons the CONRAC, the Company shall conduct or cause to have conducted an appropriate environmental subsurface investigation such as a Phase II environmental investigation. A copy of the Phase II report and any other related reports shall be made available to the Board immediately after completion. Throughout the Term of this Facility Lease the Company will maintain petroleum UST insurance provided by an insurance company approved by the Board. The Company may self insure provided that it maintains reserves and coverage similar to that provided by the state operated UST insurance fund.

9. Environmental Indemnification. In addition to the indemnification set forth elsewhere in this Facilities Lease, Company hereby indemnifies and agrees to defend and hold harmless Board, its agents, partner, officer, representatives and employees, from all costs, claims, demands, actions, liabilities, complaints, fines, citations, violations or notices of violation arising from or attributable to: (i) the presence of Hazardous Materials at Airport or the subsurface thereof in excess of levels allowable by Environmental Laws or the violation of any Environmental Laws due to Company's management of Hazardous Materials into the environment (as environment is defined in CERCLA) or (ii) any material breach by Company of any of its warranties, representations or covenants in this Section provided, that, Company shall have no obligation under subsection (i) of this Section if the presence of Hazardous Materials at the Airport or the subsurface thereof arises from activities not under the management, control or authorization of the Company or Manager. The extent of the Company's indemnity obligations hereunder with respect to Environmental Remediation shall be as set forth in Section 1301.C.5. Company's obligations hereunder will survive the termination or expiration of this Facilities Lease, and will not be affected in any way by the amount of or the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting Airport or any part thereof, except that, in the event that Board recovers funds from insurance carriers in connection with claims associated with (i) and (ii) above, Board may not recover the same funds from Company.
10. Hazardous Materials Definition. For purposes of this Section, the term "Hazardous Materials" means and includes the following: any hazardous substance as defined in any Environmental Law, including any "Hazardous Waste" or "Hazardous Substance" as defined by CERCLA and the Louisiana Hazardous Waste Control Law, La. R.S. 30-2171 et seq. and chemicals subject to the OSHA Hazard Communication Standard, 29 CFR Section 1910.1200 et seq.
11. Penalties For Non-Compliance. In the event of a violation of any Environmental Law, the Company shall be subject to a penalty of up to \$2,500 per occurrence when: 1) the violation is not corrected after Board has given written notice to the Company to correct such violation; or 2) the Company has repeated the same

violation within a twelve month period, even if it was corrected after the first occurrence.

12. Subsurface Environmental Study. The Company must conduct on its Exclusive Use Premises including UST locations and the Manager must conduct on the Common Areas including UST locations a Subsurface Environmental Study or other such environmental testing as necessary 90 days prior to the end of this Facilities Lease to determine if any environmental contamination exists in excess of the established baseline remediation and the extent of the contamination, if any. Findings from the study and applicable remediation plan must be submitted to the Board within 60 days prior to the end of this Facilities Lease. For purposes of the section the baseline shall mean the level of environmental contamination, if any, established by the Subsurface Environmental Study conducted by the Board prior to DBO.

ARTICLE XIV SUBLEASE AND ASSIGNMENT

Section 1401: No Right to Assign, Sublease, Encumber.

Except as provided below, Company has no right to transfer, convey, assign, sublet, mortgage, encumber or otherwise affect this Facilities Lease or any interest therein, without the prior written consent of Board, not to be unreasonably withheld or delayed. Notwithstanding anything herein to the contrary, Company, after giving written notice to the Director, may assign and transfer this Facilities Lease and all its rights, title, and interest there under, without Board's approval, to any corporation or other legal entity which at the time of such assignment is a subsidiary of or is affiliated with Company, to any corporation or other legal entity with which Company may merge or into which it may consolidate, or to any person, firm or corporation which may acquire any substantial part of Company's business or assets; provided the surviving, resulting or transferee corporation expressly assumes in writing all the obligations of Company contained in this Facilities Lease and the surviving, resulting or transferee corporation or other legal entity, as the case may be, has a consolidated net worth (after giving effect to such consolidation, merger or transfer) at least equal to that of the Company immediately prior to such consolidation, merger or transfer. The term "Net Worth" as used in this Section means the difference obtained by subtracting total liabilities (not including as a liability any capital or surplus item) from total assets of the Company and all of its subsidiaries in accordance with generally accepted accounting principles. The Board acknowledges that any merger, acquisition or consolidation by Company and the terms thereof are confidential information ("Confidential Information"). The Board agrees not to make public or authorize any disclosure or publication of any Confidential Information and to take all reasonable and necessary steps to ensure that the Director, principals, officers, agents, employees, representatives, consultants, or any other persons affiliated in any manner with Board do not disclose, make public or authorize any disclosure or publication of Company's Confidential Information.

Section 1402: Board Consent.

In the event of any proposed assignment, Company, not less than 30 calendar days prior to the proposed effective date of such action, must give notice to the Board which includes the name, address and telephone number of the proposed assignee and a copy of any and all documents being used to effect the proposed actions in a form and content acceptable to the Board. All documents will clearly set forth that the Facilities Lease and assumption actions are subject to and conditioned upon the Board's consenting thereto in writing. Any assignee must have assumed all obligations of Company under this Facilities Lease and must have specifically agreed to perform and observe the covenants and conditions contained in this Facilities Lease on Company's part to be performed and observed.

Section 1403: Transfer by Operation of Law.

Any assignment or transfer of the Facilities Lease by operation of law or any issuance, sale or transfer of a sufficient number of shares of stock in Company to result in a change in control of the Company will be deemed an assignment of this Facilities Lease for purposes of this section; provided, however, that nothing in this section will be deemed to require such consent solely as a result of issuance, transfer or sale of shares among the existing stockholders of the Company; transfer of shares by devise or descent upon the death of any existing stockholder; merger of the Company into any parent or subsidiary corporation of the Company or sale of all of Company's stock to any such parent or subsidiary corporation.

Section 1404: Modification.

Unless stated otherwise in this Facilities Lease, no provision of this Facilities Lease may be waived, modified or amended except by written amendment signed by Board and Company.

No act, conversation or communication with any officer, agent, or employee of Board, either before or after the execution of this Facilities Lease, will affect or modify any term or terminology of this Facilities Lease and any such act, conversation or communication will not be binding upon Board or Company.

**ARTICLE XV
MISCELLANEOUS PROVISIONS**

Section 1501: Advertising and Public Displays.

The Company shall not install or have installed or allow to be installed upon or within the CONRAC or its Service Center, without the prior written approval of the Director or his authorized representative, any sign, either lighted or unlighted, poster or other display of advertising media, including material supplied by manufacturers of merchandise offered for sale, as well as other types of display. Permission will not be granted for any advertising or any advertising material, fixture or equipment, which extends beyond the Exclusive Use Premises. Subject to such limitations and prior approval by the Director, the Company may paint or erect such sign or signs reasonably necessary to identify the Company or the CONRAC or both.

Section 1502: Company to Maintain its Corporate Existence: Conditions Under Which Exceptions Permitted.

The Company agrees that during the term of this Facilities Lease it will maintain in good standing its corporate existence, will remain duly qualified to do business in the State, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another corporation; provided, however, that the Company may, without violating the Facilities Lease, in accordance with Article XIV, consolidate with or merge into another corporation either incorporated and existing under the laws of the State or qualified to do business in the State as a foreign corporation, or sell or otherwise transfer to another such corporation all or substantially all of its assets as an entirety and thereafter dissolve, provided (i) the resulting, surviving or transferee corporation, as the case may be, is not "insolvent" as defined within the Louisiana Uniform Commercial Code, La. R.S. 10:101 et seq., (ii) the Board is provided with a certificate from the Chief Financial Officer of the resulting, surviving or transferee corporation stating that such corporation has not ceased to pay its debts in the ordinary course of business and can pay its debts as they become due and is not insolvent within the meaning of the federal bankruptcy law, (iii) the resulting, surviving or transferee corporation irrevocably and unconditionally assumes in writing and agrees to perform by means of an instrument which is delivered to the Board, all of the obligations of the Company herein, and (iv) the Board Attorney receives an opinion of Counsel, in form and substance satisfactory to the Board Attorney, to the effect that such consolidation, merger, sale or transfer complies with this Facilities Lease.

Section 1503: No Personal Liability.

No Commissioner of the Board, Councilmember of the City, director, officer, employee or other agent of either party will be personally liable under or in connection with this Facilities Lease.

Section 1504: Agreements With The United States.

This Facilities Lease is subject and subordinate to the provisions of any agreements heretofore made between Board and the United States relative to the operation or maintenance of the Airport, the execution of which has been required as a condition precedent to the transfer of federal rights or

property to Board for airport purposes, or to the expenditure of federal funds for development of the Airport, in accordance with the provisions of the Federal Aviation Act as it has been amended from time to time.

Section 1505: Modifications for Granting FAA Funds.

In the event that the FAA requires modifications or changes to this document, Company agrees to consent to such reasonable amendments, modifications, revisions, supplements or deletions of any of the terms, conditions or requirements of this Facilities Lease as reasonably may be required to enable Board to obtain FAA funds.

Section 1506: Governing Law.

This Facilities Lease will be deemed to have been made in, and must be construed in accordance with, the laws of the State of Louisiana.

Section 1507: Notices.

Except as herein otherwise expressly provided, all notices required to be given to Board hereunder must be in writing and must be sent by certified mail, return receipt requested, to:

Director of Aviation
Louis Armstrong New Orleans International Airport
P.O. Box 20007
New Orleans, LA 70141

All notices, demands and requests by Board to Company must be in writing, must be sent by certified mail, return receipt requested, to:

The parties, or either of them, may designate in writing from time to time any change in address or addresses of any substitute or supplementary person or persons in connection with said notice. The effective date of service will be the date such notice is mailed.

Section 1508: Amendments.

This Facilities Lease and exhibits hereto may be amended from time to time by written Amendment, duly authorized and executed by representatives of both parties hereto. In addition, the exhibits contained and made part of this Lease may be amended from time to time without further action required by the Board Council.

Section 1509: Gender.

Words of any gender used in this Facilities Lease will be held and construed to include any other gender.

Section 1510: Force Majeure.

Neither Board nor Company will be deemed in violation of this Facilities Lease if either is prevented from performing any of the obligations hereunder by reason of strikes, boycotts, labor disputes, embargoes, shortages of materials, acts of God, acts of public enemy, acts of superior governmental authority, weather conditions, riots, rebellion, sabotage, or any other circumstances for which it is not responsible or which are not within its control.

Section 1511: Invalid Provisions.

In the event any covenant, condition or provision herein contained is held to be invalid by a court of competent jurisdiction, the invalidity of any such covenant, condition or provision will in no way affect any other covenant, condition or provision herein contained, provided the invalidity of any such covenant, condition or provision does not materially prejudice either Board or Company in its respective rights and obligations contained in the valid covenants, conditions and provisions of this Facilities Lease.

Section 1512: Headings.

The headings of the several Articles and Sections of this Facilities Lease are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of any provisions of this Facilities Lease. The headings will not be construed to affect in any manner the terms and provisions hereof or the interpretation or construction thereof.

Section 1513: Exclusiveness of Company's Rights.

Nothing herein contained will be deemed to grant to Company any exclusive right or privilege within the meaning of Section 308 of the Federal Aviation Act for the conduct of any activity on the Airport.

Section 1514: Withholding Required Approvals.

Whenever the approval or action of Board or Director or Company is required herein, no such approval or action will be unreasonably conditioned, delayed or withheld.

Section 1515: Inspection of Board Records.

Company, at its expense and upon reasonable written notice, will have the right to inspect the books, records and other data of Board relating only to the terms, conditions, provisions and requirements of this Facilities Lease, provided such inspection is made during regular business hours.

Section 1516: Successors And Assigns.

All of the terms, provisions, covenants, stipulations, conditions and considerations in this Facilities Lease must extend to and bind the legal representatives, successors and assigns of the respective parties hereto.

Section 1517: Accord and Satisfaction.

No payment by Company or receipt by Board of a lesser amount than the rent, fees and/or charges due to be made by Company hereunder will be deemed to be other than on account of the rent, fees and/or charges due. No endorsement or statement on any check or in any letter accompanying any check or payment as rent, fees and/or charges will be deemed an accord and satisfaction. Board may accept such check or payment without prejudice to Board's right to recover the balance of such rent, fees and/or charges or to pursue any other remedy provided in this Facilities Lease.

Section 1518: Observation of Governmental Regulations.

- A. Board reserves the right to adopt, amend and enforce reasonable written rules and regulations governing the CONRAC, the Service Centers, and other public areas and facilities used by Company in connection therewith. Such rules and regulations must be consistent with the safety, security and overall public utility of the Airport and with the rules, regulations and orders of the FAA. Such rules and regulations must not be inconsistent with the provisions of this Facilities Lease or the procedures prescribed and approved, from time to time, by the FAA with respect to the operation of aircraft at the Airport. Company agrees to observe, obey and abide by all such rules and regulations heretofore or hereafter adopted or amended by Board, including compliance with FAA and Airport security rules, regulations and plans. Company will be fully liable to Board for any and all claims, demands, damages, fines and/or penalties of any nature whatsoever which may be imposed upon Board by the United States Government as a result of any unauthorized entry by Company, Company's employees, agents, or authorized representatives, or vehicle operated by either of these, into any area of the Airport to which access by persons or vehicles is restricted or controlled pursuant to FAA/Airport Security Rules and Regulations.
- B. Company, at all times during the Term hereof, must observe, obey and comply with any and all laws, statutes, ordinances, codes, rules, regulations and/or orders of any governmental entities lawfully exercising any control over either the Airport or over any part or all of Company's activities or operations thereon or there from, including, without limitation, any and all local business license and or permit requirements.

Section 1519: Other.

- A. Merger. This Facilities Lease, including any referenced Attachments or Exhibits, constitutes the entire agreement between Board and Company with respect to this subject matter, and supersedes all prior agreements between Board and Company with respect to this subject matter, and any such prior agreement shall be void and of no further force or effect as of the date of this Facilities Lease.

- B. Americans with Disabilities Act. Company agrees to comply, during the course of this Agreement, with all provisions of the Americans with Disabilities Act, Public Law 101-336 as well as 28 CFR Parts 35 and 36 and 29 CFR Part 1630, as applicable and as amended from time to time.
- C. Rights & Remedies Cumulative. All rights and remedies granted to Board herein and any other rights and remedies which Board may have at law and in equity are hereby declared to be cumulative and not exclusive, and the fact that the Board may have exercised any remedy without terminating this Facilities Lease shall not impair Board's rights thereafter to terminate or to exercise any other remedy herein granted or to which Board may be otherwise entitled.
- D. Modification.
 1. Unless stated otherwise in this Facilities Lease, no provision of this Facilities Lease may be waived, modified or amended except by written amendment signed by Board and Company.
 2. No act, conversation or communication with any officer, agent or employee of Board, either before or after the execution of this Facilities Lease, shall affect or modify any term or terminology of this Facilities Lease and any such act, conversation or communication shall not be binding upon Board or Company.
- E. Severability of Provisions. Except as specifically provided herein, all of the provisions of this Facilities Lease shall be severable. In the event that any provision of this Facilities Lease is found by a court of competent jurisdiction to be unconstitutional or unlawful, the remaining provisions of this Facilities Lease shall be valid unless the court finds the valid provisions of this Contract are so essentially and inseparably connected with and so dependent upon the invalid provision(s) that it cannot be presumed that the parties to this Facilities Lease could have included the valid provisions without the invalid provision(s); or unless the court finds that the valid provisions, standing alone, are incapable of being performed in accordance with the intentions of the parties.
- F. Binding Effect. This Facilities Lease shall be binding upon Board and Company and their successors in interest.
- G. Representations and Warranties. Board and Company each certify that it has the power and authority to execute and deliver this and to perform this Facilities Lease in accordance with its terms.
- H. Compliance With Laws. Company shall comply with all federal, state and local laws, ordinances and regulations applicable to this Lease. Company, at its own expense, shall secure all occupational and professional licenses and permits from public or private sources necessary for the fulfillment of its obligations under this Facilities Lease.

- I. Interpretation. The language of this Lease shall be construed according to its fair meaning, and not strictly for or against either Board or Company, unless such interpretation would conflict with the provisions of the Indenture. (See item P below of this Section 1519).
- J. No Personal Liability. No commissioner of the Board, councilmember of the City, director, officer, employee or other agent of either party shall be personally liable under or in connection with this Facilities Lease.
- K. Time of the Essence. Time is of the essence of this Facilities Lease.
- L. Assurances.
 - 1. Company shall furnish its services on a fair, equal and not unjustly discriminatory basis to all users of the Airport.
 - 2. Company shall charge fair, reasonable and not unjustly discriminatory prices for each unit or services; provided that, Company may be allowed to make reasonable and non-discriminatory discounts, rebates or other similar types of price reductions to volume purchasers. Non-compliance with this requirement shall be a material breach of this Facilities Lease for which the Board shall have the right to terminate this Facilities Lease and any estate created herewith, without liability therefor; or, at the election of the Board or the United States, either or both of said governments shall have the right to judicially enforce said requirement.
 - 3. As part of the consideration of this Facilities Lease, Company does hereby covenant and agree that in the event facilities are constructed, maintained, or otherwise operated on the Exclusive Use Premises for a purpose for which a DOT program or activity is extended for another purpose involving the provision of similar services or benefits, Company shall maintain and operate such facilities and services in compliance with all other requirements imposed pursuant to Code of Federal Regulations, Title 49, DOT, Subtitle A, Office of the Secretary of Transportation, Part 21-Nondiscrimination in Federally-Assisted Programs of the Department of Transportation-Effectuation of Title VI of the Civil Rights of 1964, as said regulations exist and may be amended from time to time.

In this Facilities Lease, the Covenant is hereby made a covenant running with the land for the term of the Facilities Lease, and is judicially enforceable by the United States.

 - 4. The foregoing discrimination covenants are a material part of this Facilities Lease and for breach thereof the Board shall have the right to terminate this Facilities Lease and to reenter and repossess the Exclusive Use Premises and facilities thereon, and hold the same as if said Facilities Lease had never been made. This provision does not become effective until the procedures of 49 CFR Part 21 are followed and completed, including expiration of appeal rights.

- 5. Company agrees to insert the foregoing four provisions in any Facilities Lease by which Company grants a right or privilege to any person, firm or corporation to render accommodations and/or services to the public on or from the CONRAC.
- 6. The Board reserves the right, but is in no way obligated to Company, to develop or improve the landing area of the Airport as it deems appropriate, without regard to Company, and without interference or hindrance from Company.
- 7. The Board reserves the right, but is in no way obligated to Company, to maintain and keep in repair the landing area of the Airport and all publicly owned facilities of the Airport, together with the right to direct and control all activities of Company in this regard.
- 8. Company acknowledges that this Facilities Lease is subordinate to any existing or future agreement between the Board and the United States concerning the development, operation or maintenance of the Airport.
- 9. The Facilities Lease is subordinate to the reserved right of the Board its successors and assigns, to occupy and use for the benefit of the public the airspace above the CONRAC for the right of flight for the passage of aircraft. This public right of flight shall include the right to cause in said airspace any noise inherent in the operation of any aircraft through said airspace or in landing at or taking off from, or operation on an Airport.
- 10. Company agrees to comply with the notification and review requirements of Federal Aviation Regulation Part 77 in the event future construction of a structure is planned for the Exclusive Use Premises, or in the event of a planned modification of a structure on the Exclusive Use Premises. Company covenants for itself, its successors and assigns that it will not erect or permit the erection of any structure or permit the growth of any tree, on the CONRAC or its Service Center, above the mean sea level elevation that is defined as an object that effects navigable airspace as defined in Federal Aviation Regulations Part 77. As a remedy for the breach of said covenant the Board reserves the right to enter upon the Common Use Ares and/or Exclusive Use Premises and remove the offending structure or cut the offending tree, all at the expense of Company.
- 11. Company, by accepting this Facilities Lease, covenants for itself, its successors and assigns that no use will be made of the CONRAC or the Company's assigned Service Center that might in any manner interfere with the landing and taking off of aircraft from the Airport, or otherwise constitute a hazard to air navigation. As a remedy for the breach of said covenant, the Board reserves the right to enter upon the Common Areas and/or Exclusive Use Premises and cause the abatement of such interference, all at the expense of Company.
- 12. Company acknowledges that nothing contained in this Facilities Lease shall be construed to grant or authorize the granting of an exclusive right within the meaning of 49 U.S.C. Section 40103(e).

13. This Facilities Lease and all provisions hereof are subordinate to whatever rights the United States now has or in the future may acquire affecting the control, operation, regulation and taking-over of the Airport, or the exclusive or non-exclusive use of the Airport by the United States during a time of war or national emergency.

M. Right to Amend.

In the event that the Federal Aviation Administration or its successors requires modifications or changes in this Agreement as a condition precedent to the granting of funds for the improvement of the Airport, or otherwise, the Company agrees to consent to such amendments, modifications, revisions, supplements, or deletions of any of the terms, conditions, or requirements of this Facilities Lease as may be reasonably required.

N. Immigration Reform and Control Act of 1986.

Company understands and acknowledges the applicability of the IRCA to it. Company agrees to comply with the provisions of IRCA as it applies to its activities under this Facilities Lease and to permit the Board to inspect its personnel records to verify such compliance.

O. Restricted Areas/Security.

Company will be responsible for complying with any and all applicable present and future rules, regulations, restrictions, ordinances, statutes, laws and/or orders of any federal, state or local governmental entity regarding airfield security. Company shall fully comply with applicable provisions of the FAA Regulations, 14 CFR, Part 107 (and Part 108 if Company is an air carrier). Board has adopted a Security Plan for the Airport approved by the FAA pursuant to Federal Aviation Regulations, Part 107. Company agrees to be bound by and follow the Security Plan. Any access to the Airport granted to Company shall not be used, enjoyed or extended to any person, entity or vehicle engaged in any activity or performing any act or furnishing any service for or on behalf of the Company that Company is not authorized to engage in or perform under this Facilities Lease unless expressly authorized in writing by the Director in accordance with FAR Part 107. In the event Company, its officer, employees or invitees cause or contribute to unauthorized persons or vehicles entering the air operations areas of the Airport, or otherwise violate the Security Plan or any laws, regulations, rules, etc. governing airport security, and in addition to any other remedies available hereunder, Company shall be liable to Board for an amount equal to any civil penalty imposed on Board by the FAA for such violations and hereby agrees to indemnify Board for any such federal civil penalties.

P. Conflicts with the Indenture.

Any conflict between the Indenture and this Facility Lease shall be resolved in accordance with the provisions of the Indenture, unless the consent of a majority of the Bond Insurers of each separate series of CFC Bonds (as defined in the CFC Master Indenture) or if none a majority in interest of the Owners of any uninsured series of CFC Bonds is obtained.

Section 1520: Entire Agreement.

This Facilities Lease, together with all exhibits attached hereto, constitutes the entire agreement between the parties as it pertains to the lease and occupancy of the CONRAC and Service Centers.

Except for the Concession Agreement, any and all previous agreements between Board and Company shall terminate upon DBO of the Service Centers. All other representations or statements heretofore made, verbal or written are merged herein.

Section 1521: Exhibits to be Prepared and Attached After Execution of this Facilities Lease.

The exhibits referred to herein and listed at the end of the table of contents include information which must be determined after the design of the Consolidated Facility is further advanced than has been accomplished as of the date of execution of this Facilities Lease. In order to facilitate the planning and financing of the Consolidated Facility, the parties hereto agree that this Facilities Lease shall be executed prior to the preparation and attachment to this Facilities Lease of all such exhibits. Accordingly, all such exhibits shall be prepared as soon as practicable after the execution hereof, shall when completed be executed by the Board and the Company to indicate their approval of such exhibit, shall then be attached to all copies of this Facilities Lease and once so attached shall be deemed incorporated in this Facilities Lease by reference.

Section 1522: Audit and Other Oversight.

The Company understands and will abide by all provisions of the Code of the City of New Orleans, Chapter 2, Art. XIII, Sect. 2-1120, as adopted by City Ordinance No. 22,888 M.C.S., (relative to the operations and authority of the City Inspector General), incorporated herein by reference.

**EXHIBIT A
GROUND FOR THE CONRAC**

IN WITNESS WHEREOF, the parties hereto, for themselves, their successors and assigns, have executed this Facilities Lease, the day and year first above written.

ATTEST: New Orleans Aviation Board
By:

Patricia C. Malone, Interim Director of Aviation Daniel F. Packer, Jr., Chairman

Date Date

COUNTERSIGNED

ATTEST: CITY OF NEW ORLEANS, LOUISIANA

Reginald Zeno By: _____
Director, Department of Finance C. Ray Nagin, Mayor

COMPANY

Secretary Officer of Corporation

Date Date

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**EXHIBIT B
GROUND FOR THE SERVICE CENTERS**

Service Center 1: 227,790 square feet (Alamo/Vanguard)

Service Center 2: 188,922 square feet (Avis/Budget)

Service Center 3: 161,718 square feet (Hertz)

Service Center 4: 72,876 square feet (DTAG)

**EXHIBIT C
DRAWING OF THE PORTION OF GROUND OF CONRAC
CONSTITUTING COMMON AREAS**

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EXHIBIT D
DRAWING DEPICTING THE COMMON AREAS OF THE CONRAC

EXHIBIT E
DRAWING OF THE EXCLUSIVE USE AREA OF THE CONRAC
ASSIGNED TO THE COMPANY

C-69

EXHIBIT F
THE SERVICE CENTER OR PORTION OF SERVICE CENTER
ASSIGNED TO THE COMPANY

EXHIBIT G
DRAWING OF THE READY/RETURN AREA OF THE COMPANY

C-70

**EXHIBIT H
TENANT IMPROVEMENT AGREEMENT AND
DESIGN CONSTRUCTION GUIDELINES**

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APPENDIX D
FORM OF 2018 CFC RESOLUTION

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The following resolution was offered by Doug Thornton and seconded by Joseph Nicolosi, Jr.:

RESOLUTION

A resolution determining that the Rate Requirement of Section 402(b) of the CFC Master Trust Indenture securing the \$96,515,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project) Series 2009A (Non-AMT) will be met for the Bond Year ending January 1, 2019; establishing the CFC Costs for the Bond Year ending January 1, 2019; estimating the CFC Revenues to be collected during the Bond Year ending January 1, 2020; determining no increase in the CFC rate is presently required; and other matters in connection therewith.

WHEREAS, the New Orleans Aviation Board (the "**Board**") previously issued its \$96,515,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project) Series 2009 A (Non-AMT) (the "**Series 2009 CFC Bonds**") pursuant to the provisions of that certain CFC Master Trust Indenture dated as of December 1, 2009 (the "**CFC Master Indenture**"), as supplemented by a First Supplemental Indenture dated as of December 1, 2009 (the "**First Supplemental Indenture**"), as amended by (i) the First Amendment dated as of November 1, 2011 (the "**First Amendment**"), (ii) the Second Amendment dated as of November 1, 2014 (the "**Second Amendment**") (iii) the Third Amendment dated as of March 1, 2016 (the "**Third Amendment**") and, together with the CFC Master Indenture and the First Supplemental Indenture as amended, the "**Current CFC Indenture**"), each by and among the Board, as issuer, the City of New Orleans, Louisiana (the "**City**"), and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**");

WHEREAS, all capitalized terms used and not otherwise defined herein shall have the meanings assigned to them in the Current CFC Indenture, unless the context clearly requires otherwise;

WHEREAS, on the 19th day of May 2016, the Board adopted a resolution to increase the CFC by \$1.75 per Transaction Day (the "**CONRAC Busing CFC**") in order to fund the design of roadway and building improvements of the current CONRAC and to pre-fund the costs of the busing operation ("**CONRAC Busing Costs**") as reasonable expenses of the New Orleans Aviation Board in carrying out obligations under the facilities leases with rental car operators at the airport and to create a dedicated reserve account of the Administrative Cost Fund to be designated the "**CONRAC Busing Reserve Account of the Administrative Cost Fund**" (the "**CONRAC Busing Reserve Account**") dedicated exclusively to the payment CONRAC Busing Costs;

WHEREAS, the CONRAC Busing CFC was established and imposed as of July 1, 2016 and must be taken into account for the Bond Year ending January 1, 2017 and for each succeeding Bond Year thereafter;

WHEREAS, pursuant to a resolution adopted on June 21, 2018, the Board authorized and approved not exceeding \$100,000,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue and Refunding Bonds (Consolidated Rental Car Facility) Series 2018 (the "**Series 2018 CFC Refunding Bonds**") to currently refund and optionally redeem the Series 2009 CFC Bonds on January 1, 2019 (the "**Series 2009 CFC Bonds Redemption Date**") pursuant to a Restated Customer Facility Master Revenue Bond Trust Indenture by and among the Board, the City, and the Trustee (the "**Restated CFC Indenture**");

WHEREAS, the issuance and delivery date (the “**Delivery Date**”) of the Series 2018 CFC Refunding Bonds pursuant to the Restated CFC Indenture is expected to occur prior to the Series 2009 CFC Bonds Redemption Date;

WHEREAS, on and after the execution and delivery of the Restated CFC Indenture and the issuance of the Series 2018 CFC Refunding Bonds, there will no longer be a need for dedicating the CONRAC Busing CFC to CONRAC Busing Costs or for maintaining the CONRAC Busing Reserve Account of the Administrative Cost Fund;

WHEREAS, Section 402(b) of the CFC Master Indenture provides that, at least 120 days prior to the end of each Bond Year, the Board shall prepare and deliver to the Trustee and the Companies its estimate of CFC Revenues and CFC Costs for the next Bond Year, and make its determination as to whether the Rate Requirement was met for the then current Bond Year and will be met for the next ensuing Bond Year;

WHEREAS, if the Board projects CFC Revenues for the ensuing Bond Year are to be insufficient to meet the Rate Requirement for the ensuing Bond Year without further increasing the then existing rate at which the CFC is imposed (a “**CFC Deficit**”), then the Board shall engage an Independent Airport Financial Consultant to recommend actions to be taken to cure such projected CFC Deficit;

WHEREAS, the members of the Board (the “**Members**”) desire to (i) determine that the Rate Requirement will be met for the Bond Year ending January 1, 2019, (ii) establish its estimate of CFC Revenues and CFC Costs for the Bond Year ending January 1, 2020, (iii) determine that the Rate Requirement will be met for the Bond Year ending January 1, 2020 and (iv) determine that no increase in the rate of the CFC is presently required.

NOW THEREFORE, BE IT RESOLVED by the Members of the New Orleans Aviation Board (the “**Members**”), acting as the governing authority of the Board, that:

SECTION 1. Findings, Determinations and Establishment of Estimates. The Members hereby find, determine and/or establish estimates as follows:

- A. CFC Costs for the Bond Year ending January 1, 2019 will not exceed \$8,565,671.00 (consisting of \$7,689,550.00 Aggregate Debt Service plus \$876,121.00 in Administrative Costs). The Maintenance Reserve Fund was fully funded in Bond Year ending January 1, 2015 at \$1,500,000.00 which amount satisfies the Maintenance Reserve Requirement.
- B. The Aggregate Debt Service on the CFC Bonds for the Bond Year ending January 1, 2019 will be \$7,689,550.00.
- C. The amount credited to the Coverage Fund as of July 31, 2017, was \$1,923,543.75.
- D. The Maximum Annual Debt Service (occurring in Bond Year 2031) is \$7,694,175.00 and 25% of the Maximum Annual Debt Service is \$1,923,543.75.
- E. The debt service coverage ratio, calculated in accordance with the Rate Requirement, for the Bond Year ending January 1, 2019, is projected to be greater than 225% (see **Exhibit “E”**).
- F. (1) The amount of CFC Revenues estimated to be collected by the Board during the Bond Year ending January 1, 2019 of \$17,298,740.12 (see **Exhibit “C”** for calculation) will

exceed \$8,565,671.00, the CFC Costs to be incurred during the same Bond Year, and (2) the debt service coverage ratio for the Bond Year ending January 1, 2019 of 225% exceeds 135% (the Rate Requirement of the CFC Master Indenture).

- G. CFC Costs for the Bond Year ending January 1, 2020 are estimated to not exceed \$15,132,673.00 (consisting of \$7,693,175.00 Aggregate Debt Service plus \$7,439,498.00 in Administrative Costs. The Maintenance Reserve Fund was fully funded in Bond Year ending January 1, 2015 at \$1,500,000, which amount satisfies the Maintenance Reserve Requirement.
- H. The Aggregate Debt Service on the CFC Bonds for the Bond Year ending January 1, 2020 will be \$7,693,175.00.
- I. The amount credited to the Coverage Fund as of July 31, 2017, was \$1,923,543.75.
- J. The Maximum Annual Debt Service (occurring in Bond Year 2031) is \$7,694,175.00 and 25% of the Maximum Annual Debt Service is \$1,923,543.75.
- K. The debt service coverage ratio, calculated in accordance with the Rate Requirement, for the Bond Year ending January 1, 2020, is projected to be 231% (see **Exhibit "E"**).
- L. (1) The amount of CFC Revenues estimated to be collected by the Board during the Bond Year ending January 1, 2020 of \$17,743,105.49 (see **Exhibit "D"** for calculation) will exceed \$15,132,673.00, the CFC Costs to be incurred during the same Bond Year, and (2) the debt service coverage ratio for the Bond Year ending January 1, 2020 of 231% exceeds 135% (the Rate Requirement of the CFC Master Indenture).

SECTION 2. Establishment of CFC Costs for Bond Year Ending January 1, 2020. The Board hereby establishes as its estimate of the CFC Costs for the Bond Year ending January 1, 2020 the amount of \$15,132,673.00 as itemized in the Estimate of CFC Costs attached hereto as **Exhibit "A"** with the item for Administrative Costs being the amount determined in the Estimate of Administrative Costs attached hereto as **Exhibit "B"**.

SECTION 3. Estimate of CFC Revenues for Bond Year Ending January 1, 2019. The Board hereby establishes as its estimate of CFC Revenues to be collected during the Bond Year ending January 1, 2019 the amount of \$17,298,740.12 as calculated in **Exhibit "C"** attached hereto.

SECTION 4. Estimate of CFC Revenues for Bond Year Ending January 1, 2020. The Board hereby establishes as its estimate of CFC Revenues to be collected during the Bond Year ending January 1, 2020 the amount of \$17,743,105.49 as reflected in **Exhibit "D"** attached hereto.

SECTION 5. CFC Revenues Projected to be Sufficient to Meet Rate Requirement for Bond Year Ending January 1, 2020. Since (1) the amount of CFC Revenues expected to be collected by the Board during the Bond Year ending January 1, 2020 of \$17,743,105.49 will exceed \$15,132,673.00, the CFC Costs to be incurred during the same Bond Year and (2) the debt service coverage ratio for the Bond Year ending January 1, 2020 of 231% (calculated in accordance with the Rate Requirement) exceeds 135% (the Rate Requirement of the CFC Master Indenture), the Board hereby determines that CFC Revenues projected to be collected during the Bond Year ending January 1, 2020 (with the CFC Rate at \$7.95 per transaction day) of \$17,743,105.49, will be sufficient to meet the Rate Requirement for said Bond Year (see **Exhibit "E"** for calculation of satisfaction of Rate Requirement).

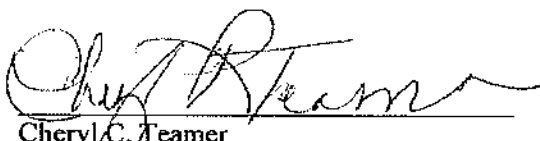
SECTION 6. Direction to Delete the CONRAC Busing Reserve Account of the Administrative Cost Fund. On and after the Delivery Date of the Series 2018 CFC Refunding Bonds, the CONRAC Busing Reserve Account is closed and the CONRAC Busing CFC shall no longer be exclusively dedicated to CONRAC Busing Costs but shall be available on the same basis as other CFCs.

SECTION 7. Delivery of Copies of this Resolution to the Trustee and the Companies. The proper members of the Board's staff and its consultants shall provide a copy of this resolution to the Trustee and each of the Companies and take all further appropriate of desirable actions required to comply with the provisions of Section 402 of the CFC Master Indenture.

This Resolution having been submitted to a vote, the vote hereon was as follows:

Board Member	Yea	Nay	Absent
Cheryl Teamer, Chairwoman	✓		
Doug Thornton, Vice-Chairman	✓		
Ti Martin			✓
Michael Smith			✓
Roger Ogden			✓
Gary Smith	✓		
Octave "Todd" Francis			✓
Ruth Kullman	✓		
Joseph "Nick" Nicolosi, Jr.	✓		

This resolution was adopted on the 6th day of September, 2018.


Cheryl C. Teamer
Chairwoman of the Board

(This resolution was adopted prior to the election of officers.)

Exhibits to This Resolution:

- "A" Estimate of CFC Costs for Bond Year ending January 1, 2020
- "B" Estimate of Administrative Costs for Bond Year ending January 1, 2020
- "C" Calculation of CFC Revenues to be Received in Bond Year Ending January 1, 2019
- "D" Calculation of CFC Revenues to be Received in Bond Year Ending January 1, 2020
- "E" Calculation of Satisfaction of Rate Requirement Bond Year Ending January 1, 2019 and Bond Year Ending January 1, 2020

EXHIBIT "A"

**NEW ORLEANS AVIATION BOARD'S ESTIMATE
OF CFC COSTS FOR BOND YEAR
ENDING JANUARY 1, 2020**

Item No.	Description of Item	Estimated Amount
1	Aggregate Debt Service On CFC Bonds for Bond Year (January 2, 2019 – January 1, 2020)	\$7,693,175.00
2	Annual Administrative Costs (calculated in Exhibit B below)	\$7,439,498.00
3	Deposit Required to Maintain Reserve Fund	\$0.00
4	Deposit Required to the Coverage Account	\$0.00
5	Deposit Required to Administrative Costs Fund	\$0.00
6	Other Deposits Required to Others Funds and Accounts of CFC Indenture	\$0.00
	Total	\$15,132,673.00

EXHIBIT "B"

ADMINISTRATIVE COST BUDGET FOR THE PERIOD JANUARY 2, 2019 THROUGH JANUARY 1, 2020 \$96,515,000 NEW ORLEANS AVIATION BOARD GO ZONE CFC REVENUE BONDS (CONSOLIDATED RENTAL CAR PROJECT) SERIES 2009-A

Item No.	Description of Cost	Payee	Amount
1	Trustee Annual Fees	Bank of New York	\$3,500.00
2	Annual Fees Bond Counsel Requests for Interpretations of Indenture	Bond Counsel	\$1,500.00
3	Annual Expenses of NOAB Preparation of Annual Rate Requirement Budget and Determination of Whether a CFC Deficit Existed or is Projected for Next Year a. NOAB Accounting Staff Time b. Auditor's Review c. Bank of America Analytical Services d. Review by Aviation Consultant e. Bond Counsel Drafting & Review Bond	Financial Advisers	\$3,500.00 \$3,500.00 \$5,000.00 \$2,500.00 <u>\$3,500.00</u>
			\$18,000.00
4	Fees Aviation Consultant Rate Report for CFC Deficit Periods* *Only Required for CFC Deficit Periods	To Be Selected	\$16,800.00
5	Costs of Filing Quarterly Financial Statements Required By Continuing Disclosure Certificate: a. NOAB Accounting Staff Time b. Auditor's Review c. Bond Counsel Review and EMMA Filing	Bond Counsel	\$1,500.00 \$1,500.00 <u>\$1,500.00</u>
			\$4,500.00
6	Preparation and Filing Annual SEC 15c2-12 Disclosure Report: a. NOAB Accounting Staff Time b. Auditor's Review c. Bond Counsel Preparation and EMMA	Bond Counsel	\$2,500.00 \$1,500.00 <u>\$4,000.00</u>
			\$8,000.00
7	Operating and Maintenance Budget a. NOAB Accounting Staff Time b. Auditor's Review c. Bond Counsel Drafting and Review	Bond Counsel	\$4,500.00 \$1,500.00 <u>\$1,500.00</u>
			\$7,500.00
8	Audit of Operating and Maintenance Expenses a. NOAB Accounting Staff Time b. Auditor's Review c. Bond Counsel Drafting and Review	Financial Auditor	\$4,500.00 \$5,000.00 <u>\$1,500.00</u>
			\$11,000.00
9	Annual Arbitrage Rebate Report Preparation Fee	Rebate Analyst	\$1,500.00
			\$1,500.00
10	Facility Property Insurance a. NOAB Accounting Staff Time b. Bond Counsel Review c. Insurance Broker Fee d. Insurance Premiums e. Insurance Deductibles	Insurance Broker	\$1,500.00 \$1,500.00 \$3,000.00 <u>\$300,000.00</u> n/a
			\$306,000.00
11	Facility Lease and Concession License Administration a. NOAB Administrative Staff Time b. NOAB Accounting Staff Time c. Outside Legal Counsel	Aviation Board	\$12,000.00 \$12,000.00 <u>\$4,500.00</u>
			\$28,500.00
12	Bank Analysis Fee	Iberia Bank	\$1,500.00
13	CONRAC Busing Costs	Aviation Board	\$7,011,198.00
	Administrative Costs:		\$7,439,498.00

EXHIBIT "C"

**CALCULATION OF CFC REVENUES FOR
BOND YEAR ENDING JANUARY 1, 2019**

Quarter Ended	Basis of Amount	Amount
March 31, 2018	Actuals	\$4,095,943.35
June 30, 2018	Actuals	\$4,678,662.45
September 30, 2018	Consultant's Forecast Model of Transaction Days	\$4,166,862.01
December 31, 2018	Consultant's Forecast Model of Transaction Days	\$4,357,272.31
Total		\$17,298,740.12

EXHIBIT "D"

**CALCULATION OF CFC REVENUES TO BE RECEIVED
IN BOND YEAR ENDING JANUARY 1, 2020**

Quarter Ended	Basis of Amount	Amount
March 31, 2018	Consultant's Forecast Model of Transaction Days	\$4,228,685.98
June 30, 2018	Consultant's Forecast Model of Transaction Days	\$4,845,688.63
September 30, 2018	Consultant's Forecast Model of Transaction Days	\$4,232,788.31
December 31, 2018	Consultant's Forecast Model of Transaction Days	\$4,435,942.57
Total		\$17,743,105.49

EXHIBIT "E"

**CALCULATION OF SATISFACTION OF RATE REQUIREMENT
BOND YEAR ENDING JANUARY 1, 2019
and
BOND YEAR ENDING JANUARY 1, 2020**

Bond Year Ending January 1, 2019	
Revenues for BY ending January 1, 2019	17,298,740.12
Calculation of Ratio of CFC Costs to Revenues	
Aggregate Debt Service	7,689,550.00
Administrative Costs	876,121.00
Deposit To Maintenance Reserve Fund	0.00
CFC Costs for BY ending January 1, 2019	8,565,671.00
Ratio of Revenues to CFC Costs	2.02
Calculation of Lesser of Coverage Fund Balance or 25% of Maximum:	
Maximum Annual Debt Service (BY 2031)	7,694,175.00
25% of Maximum Annual Debt Service	1,923,543.75
Amount in the Coverage Fund	1,923,543.75
25% Max Annual Debt Service	1,923,543.75
Calculation of Debt Service Coverage Ratio	
Revenues for BY ending January 1, 2019	17,298,740.12
Aggregate Debt Service for BY ending January 1, 2019	7,689,550.00
Ratio of Revenues to Aggregate Debt Service	2.25

Bond Year Ending January 1, 2020	
Revenues for BY ending January 1, 2020	17,743,105.49
Calculation of Ratio of CFC Costs to Revenues	
Aggregate Debt Service	7,693,175.00
Administrative Costs	7,439,498.00
Deposit To Maintenance Reserve Fund	0.00
CFC Costs for BY ending January 1, 2020	15,132,673.00
Ratio of Revenues to CFC Costs	1.17
Calculation of Lesser of Coverage Fund Balance or 25% of Maximum:	
Maximum Annual Debt Service (BY 2031)	7,694,175.00
25% of Maximum Annual Debt Service	1,923,543.75
Amount in the Coverage Fund	1,923,543.75
25% Max Annual Debt Service	1,923,543.75
Calculation of Debt Service Coverage Ratio	
Revenues for BY ending January 1, 2020	17,743,105.49
Aggregate Debt Service for BY ending January 1, 2020	7,693,175.00
Ratio of Revenues to Aggregate Debt Service	2.31

STATE OF LOUISIANA

PARISH OF ORLEANS

I, Kevin Dolliole, Director of Aviation for the New Orleans Aviation Board, do hereby certify the above to be a true and correct copy of a resolution adopted by the New Orleans Aviation Board at a meeting held on September 6, 2018, entitled: "A resolution determining that the Rate Requirement of Section 402(b) of the CFC Master Trust Indenture securing the \$96,515,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project) Series 2009 A (Non-AMT) will be met for the Bond Year ending January 1, 2019; establishing the CFC Costs for the Bond Year ending January 1, 2019; estimating the CFC Revenues to be collected during the Bond Year ending January 1, 2020; determining no increase in the CFC rate is presently required; and other matters in connection therewith."

IN FAITH WHEREOF, witness my official signature on this 6th day in September, 2018.

By: 
Kevin Dolliole, Director of Aviation

APPENDIX E
FORM OF OPINION OF CO-BOND COUNSEL

FOLEY & JUDELL, L.L.P.
ONE CANAL PLACE, SUITE 2600
NEW ORLEANS, LOUISIANA 70130
(504) 568-1249 – FAX (504) 565-3900

AUZENNE & ASSOCIATES, L.L.C.
1515 POYDRAS STREET, SUITE 2260
NEW ORLEANS, LOUISIANA 70112
(504) 566-7999 – FAX (504) 569-0087

October 30, 2018

New Orleans Aviation Board
New Orleans, Louisiana

Assured Guaranty Municipal Corp.
New York, New York

\$82,565,000
New Orleans Aviation Board
Gulf Opportunity Zone CFC Revenue Refunding Bonds
(Consolidated Rental Car Project)
Series 2018 (Non-AMT)

We have acted as Co-Bond Counsel in connection with the issuance by the New Orleans Aviation Board (“**Issuer**”), an unattached board of the City of New Orleans, Louisiana (“**City**”), of the captioned bonds consisting of \$82,565,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Refunding Bonds (Consolidated Rental Car Project) Series 2018 (Non-AMT) (“**Bonds**”).

The Bonds are being issued under the authority of Part XIX of Chapter 4 of Subtitle II of Title 30 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39: 1034(D) and (F)), together with other constitutional and statutory authority supplemental thereto, including without limitation La. R.S. 39:1421 through 1430 inclusive and the provisions of Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456 inclusive) of the Louisiana Revised Statutes of 1950, as amended (collectively, the “**Act**”), under and pursuant to resolutions adopted by the Issuer on March 15, 2018, April 19, 2018, and July 19, 2018, and by Resolution R-18-118 adopted by the Council of the City of New Orleans (“**City**”) on February 9, 2018, and pursuant to the provision of that certain Restated Customer Facility Charge Master Revenue Bond Trust Indenture by and among the Issuer, the City, and The Bank of New York Mellon Trust Company, N.A. (“**Trustee**”), dated as of October 1, 2018 (“**Indenture**”).

Capitalized terms used herein and not defined herein shall have the meaning set forth in the Indenture.

The Bonds are being issued to refund New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project) Series 2009A (Non-AMT) (“**Series 2009A CFC Bonds**”). The Series 2009A CFC Bonds were issued to finance (i) a multi-story building providing space for rental car customer facilities and offices, the storage, leasing, and return of rental cars (“**CONRAC**”) and (ii) storage, cleaning repair, and maintenance facilities (the “**Service Centers**”, together with the CONRAC the “**Consolidated Facility**”) to be leased by the Issuer to rental car operators desiring to rent cars at the Airport pursuant to one or more Facilities Lease(s) a CONRAC and Service Centers (as herein defined) for use and occupancy by the Companies pursuant to a lease (“**Facilities Lease**”) of the Consolidated Facility to the Companies.

The Series 2009A CFC Bonds were issued as qualified Gulf Opportunity Zone Bonds under the Gulf Opportunity Zone Act of 2005 (Public Law 109-135) (“**GO Zone Act**”) and may now be currently refunded only in accordance with IRS Notice 2012-3.

We have examined (i) the Constitution and Statutes of the State, including the Act, (ii) IRS Notice 2012-3, (iii) the Series 2018 CFC Bond Authorizing Resolution, (iv) executed counterparts of the Indenture, and (v) such other documents, instruments, proceedings and matters of law as we have considered necessary or appropriate for purposes of this opinion.

On the basis of the foregoing examinations, we are of the opinion as of the date hereof and under existing law that:

1. The Issuer is an unattached board of the City pursuant to the City's Home Rule Charter with full power and authority under the Act to issue the Bonds and to perform all of its obligations under the Indenture.
2. The Indenture (i) has been duly authorized, executed and delivered by the Issuer and the City, (ii) constitutes a legal, valid and binding obligation of the City and the Issuer and (iii) creates a legal, valid and binding pledge of the Trust Estate as described in the Indenture.
3. The Bonds have been duly authorized, executed and delivered and constitute binding limited and special obligations of the Issuer, payable solely from and secured by the Trust Estate. Neither the City's general credit nor taxing power is pledged as security for the payment of the Bonds. The Issuer has no taxing power.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended ("**Code**"), except that no opinion is expressed as to the status of interest on any Bond for any period that a Bond is held by a "substantial user" of the facilities financed by such Bonds or by a "related person" within the meaning of Section 147(a) of the Code. Interest on the Bonds is not a specific preference item or included in a corporation's adjusted current earnings for purposes of the federal alternative minimum tax.
5. Under the Act, interest on the Bonds is exempt from all taxation for state, parish, municipal or other local purposes in the State of Louisiana.

The Code and the regulations applicable thereunder contain certain requirements which must be met subsequent to the issuance and delivery of the Bonds for the interest on the Bonds to be and remain excluded from gross income of the owners of such Bonds for federal income tax purposes. The Issuer has covenanted in the Indenture and other documents to institute programs and procedures for the purpose of satisfying the applicable requirements of the Code and applicable Regulations.

In rendering the opinions expressed in item 4 above, we have relied on representations of the Issuer with respect to matters solely within the knowledge of the Issuer and have assumed continuing compliance by the Issuer with the covenants in the Indenture and other documents pertaining to those sections of the Code which affect the exclusion from gross income of interest on the Bonds for federal income tax purposes.

The foregoing is qualified to the extent that the rights of the owners of the Bonds and the enforceability of the Series 2018 CFC Bond Authorizing Resolution, the Bonds and the Indenture, as the case may be, may be subject to bankruptcy, insolvency, reorganization, moratorium, liquidation, readjustment of debt and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and that their enforcement may also be subject to the exercise of the sovereign police powers of the State of Louisiana or its governmental bodies, and the exercise of judicial discretion in appropriate cases.

Except as stated above, we express no opinion as to any federal or state tax consequences resulting from the ownership of, receipt of interest on or disposition of the Bonds and our services as Co-Bond Counsel have not extended beyond the examinations and expressions of conclusions referred to above.

Respectfully submitted,

APPENDIX F
FORM OF OPINION OF AVIATION BOARD GENERAL COUNSEL

October 30, 2018

New Orleans Aviation Board
New Orleans, Louisiana

Citigroup Global Markets Inc.,
as Representative of the Underwriters
New York, New York

The Bank of New York Mellon Trust Company, N.A.
Baton Rouge, Louisiana

Foley & Judell, L.L.P.
New Orleans, Louisiana

Assured Guaranty Municipal Corp.
New York, New York

\$82,565,000
New Orleans Aviation Board
Gulf Opportunity Zone CFC Revenue Refunding Bonds
(Consolidated Rental Car Project)
Series 2018 (Non-AMT)

Ladies and Gentlemen:

This opinion is being rendered to you in the undersigned's capacity as Chief Legal Counsel to the New Orleans Aviation Board ("**Board**") of the City of New Orleans, Louisiana ("**City**"), relating to the sale and delivery of the captioned bonds consisting of \$82,565,000 New Orleans Aviation Board Gulf Opportunity Zone Gulf Opportunity Zone CFC Revenue Refunding Bonds (Consolidated Rental Car Project), Series 2018 (Non-AMT) (the "**Bonds**").

The Bonds are being issued under the authority of Part XIX of Chapter 4 of Subtitle II of Title 30 of the Louisiana Revised Statutes of 1950, as amended (La. R.S. 39: 1034(D) and (F)), together with other constitutional and statutory authority supplemental thereto, including without limitation La. R.S. 39:1421 through 1430 inclusive and the provisions of Chapter 14-A of Title 39 (La. R.S. 39:1444 through 1456 inclusive) of the Louisiana Revised Statutes of 1950, as amended (collectively, the "**Act**"), under and pursuant to resolutions adopted by the Issuer on March 15, 2018, April 19, 2018, and July 19, 2018, and by Resolution R-18-118 adopted by the Council of the City of New Orleans ("**City**") on February 9, 2018, and pursuant to the provision of that certain Restated Customer Facility Charge Master Revenue Bond Trust Indenture by and among the Issuer, the City, and The Bank of New York Mellon Trust Company, N.A. ("**Trustee**"), dated as of October 1, 2018 ("**Indenture**").

Capitalized terms used herein and not defined herein shall have the meaning set forth in the Indenture.

The Bonds are being issued to refund New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Bonds (Consolidated Rental Car Project) Series 2009A (Non-AMT) ("**Series 2009A CFC Bonds**"). The Series 2009A CFC Bonds were issued to finance (i) a multi-story building providing space for rental car customer facilities and offices, the storage, leasing, and return of rental cars ("**CONRAC**") and (ii) storage, cleaning repair, and

maintenance facilities (the “**Service Centers**”, together with the CONRAC the “**Consolidated Facility**”) to be leased by the Board to rental car operators desiring to rent cars at the Airport pursuant to one or more Facilities Lease(s) a CONRAC and Service Centers (as herein defined) for use and occupancy by the Companies pursuant to a lease (“**Facilities Lease**”) of the Consolidated Facility to the Companies.

As Chief Legal Counsel for the Board, I am familiar with the constitution, statutes, and Home Rule Charter creating the Board, official records of the Board, and the general history of the Board. In connection with this opinion, I have examined, or caused to be examined, such documents, records, consents and papers, and considered such questions of law and fact as I have deemed relevant and necessary. In furnishing this opinion, I have examined the documents relating to the Bonds and I have made such investigation of matters of fact and law as I have deemed necessary or appropriate to provide a basis for the opinions set forth herein. In such examination and investigation, I have relied on certificates of members and/or staff of the Board, Consultants to the Board and Co-Bond Counsel. Likewise, I have assumed the genuineness of all signatures, the legal capacity of natural persons, the authenticity of all documents submitted as originals, and the conformity to original documents of all documents submitted as certified or photo static copies. I have also assumed that all parties to the documents relating to the delivery of the Bonds (other than the Board) have the corporate power and authority to enter into and perform all obligations thereunder, and, as to such other parties, the due authorization by all requisite corporate action, the due execution and delivery and the validity, binding effect, and enforceability of each such document.

Based upon the foregoing, I am of the opinion that:

1. The Board is an unattached board of the City under its Home Rule Charter with full power and authority, among other things, to adopt and perform its duties and obligations under the Bond Resolution, to deliver the Preliminary Official Statement for the Bonds dated October 1, 2018 (“**Preliminary Official Statement**”) and the Official Statement for the Bonds dated October 11, 2018 (“**Official Statement**”), to execute, deliver and perform its duties and obligations under the Bond Purchase Agreement executed by the Board on October 11, 2018 relating to the Bonds, to authorize, issue and sell the Bonds.
2. The Bond Purchase Agreement, the Series 2009 Escrow Deposit Agreement, and the Indenture have been duly authorized, executed and delivered by the Board, the Bond Resolutions have been duly adopted by the Board, and all such instruments and the Bonds constitute valid and legal obligations of the Board enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other laws affecting creditors' rights or remedies heretofore or hereafter enacted.
3. Compliance with the provisions of the Bond Purchase Agreement, the Bond Resolutions, the Series 2009 Escrow Deposit Agreement, and the Indenture and performance of the Board's obligations contemplated therein do not conflict with, or constitute a breach of or default under, any applicable law, regulation, court order or consent decree of the State or any department, division, agency or instrumentality thereof or of the United States, or any loan agreement, note, resolution, indenture, order, agreement, ordinance or other instrument to which the Board is a party or may otherwise be subject.
4. All approvals, consents, and orders of any governmental authority, board, agency or commission having jurisdiction which would constitute conditions precedent to the performance by the Board of its obligations under the Bond Purchase Agreement, the Bond Resolution, the Indenture, the Series 2009 Escrow Deposit Agreement, and the Bonds have been obtained except for certain licenses, permits and other governmental approvals necessary for compliance with state and local building codes, regulations and requirements, which the Board expects to obtain on a timely basis when required.
5. All approvals, consents, and orders of any governmental authority, board, agency, or commission (including the State Bond Commission) having jurisdiction which would constitute a condition precedent to the performance by the Board of its obligations under the Bond Purchase Agreement, the Bond Resolution, the Indenture and the Bonds have been obtained and are in full force and effect.

6. Except as set forth in the Official Statement, there is no litigation or proceeding pending or, to the undersigned's knowledge, threatened, in any way affecting the existence of the Board, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds, or the right of the Board to pledge the Trust Estate, or in any way contesting or affecting the validity or enforceability of the Bonds, the Bond Resolution, the Indenture, the Series 2009 Escrow Deposit Agreement, or the Bond Purchase Agreement, or contesting in any way the completeness or accuracy of the Official Statement, the powers of the Board or its authority with respect to the Bonds, the Bond Resolution, the Indenture, the Series 2009 Escrow Deposit Agreement, or the Bond Purchase Agreement;
7. The information contained in the Official Statement under the headings "INTRODUCTORY STATEMENT," "THE AVIATION BOARD," "PLAN OF FUNDING," "THE AIRPORT," "ON-AIRPORT RENTAL CAR COMPANY OPERATIONS," "LEGAL MATTERS," "CONTINUING DISCLOSURE," "LITIGATION," "APPENDIX C – Forms of Concession Agreement and Facilities Lease," "APPENDIX D – Form of 2018 CFC Resolution," "APPENDIX F – Form of Opinion of Aviation Board General Counsel," and "APPENDIX H – Form of Continuing Disclosure Certificate" does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein in light of the circumstances under which they were made, not misleading.

In rendering this opinion, I do not express any opinion concerning any law other than the law of the State of Louisiana and the federal law of the United States, and I do not express any opinion, either implicitly or otherwise, on any issue not expressly addressed herein.

This opinion is being rendered to you for your sole benefit, and no other person or entity, other than you, is entitled to rely thereon without our prior written consent.

Respectfully submitted,

Michele D. Allen-Hart
New Orleans Aviation Board Chief Legal Counsel and Deputy
Director of Legal Affairs

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APPENDIX G
FINANCIAL STATEMENTS

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LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Financial Statements and Supplemental Schedules

December 31, 2017

(With Independent Auditors' Report Thereon)



Postlethwaite & Netterville

A Professional Accounting Corporation

www.pncpa.com

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

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30th Floor, Energy Centre, 1100 Poydras Street - New Orleans, LA 70163-3000
One Galleria Boulevard, Suite 2100 - Metairie, LA 70001
800-201-7332 Phone - 504-837-5990 Phone - 504-834-3609 Fax - pncpa.com

A Professional Accounting Corporation

Independent Auditors' Report

New Orleans Aviation Board and the
City Council of the City of New Orleans, Louisiana:

Report on the Financial Statements

We have audited the accompanying financial statements of the Louis Armstrong New Orleans International Airport (the Airport), a proprietary component unit of the City of New Orleans, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louis Armstrong New Orleans International Airport as of December 31, 2017 and 2016, and the changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 16 and the schedules presented on pages 52 and 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Airport's basic financial statements. Supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The supplemental schedules 1, 2, and 4 have been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, supplemental schedules 1, 2, and 4 are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Schedule 3 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the Airport's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Metairie, Louisiana
June 29, 2018

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Management's Discussion and Analysis

December 31, 2017 and 2016

(Unaudited)

This narrative discussion and analysis is intended to serve as an introduction to the Louis Armstrong New Orleans International Airport's basic financial statements for the fiscal years ended December 31, 2017 and 2016, with selected comparative information for the fiscal year ended December 31, 2015. The information presented here should be read in conjunction with the financial statements, footnotes, and supplementary information in this report.

Financial Highlights

- The assets and deferred outflows of the Louis Armstrong New Orleans International Airport (the Airport) exceeded its liabilities and deferred inflows at December 31, 2017 by \$491,951,249 (net position). Of this amount, \$62,383,960 represents unrestricted net position, which may be used to meet the Airport's ongoing obligations to citizens and creditors.
- The Airport's total net position increased by \$51,751,562 or 11.76%.
- The Airport negotiated a Commercial Airline Lease effective January 1, 2016 with the Airline Transportation Companies. The Airline - Airport Use and Lease Agreement (the "2016 Airline Lease Agreement") has a residual airline rate-setting methodology and will expire on December 31, 2023 with a mid-term checkpoint on December 31, 2020. Key provisions of the agreement include signatory airline approval of the design and construction of a \$994 million passenger terminal project, a five (5) year Airfield capital improvement program, the Board's capital spending limits are \$1.5 million in any one (1) year and not to exceed \$5 million over any five (5) year period without Airline approval, and an annual general purpose account payment to the Board in the amount of \$6 million for self-directed use in the years ending December 31, 2017 and 2018, decreasing to \$3 million in 2019, and \$1 million in equipment and capital outlays allowance.

Overview of the Financial Statements

The Louis Armstrong New Orleans International Airport (the Airport) is structured as an enterprise fund. The financial statements are prepared on the accrual basis of accounting. Therefore, revenues are recognized when earned and expenses are recognized when incurred. Capital assets are capitalized and depreciated, except for land and easements, over their useful lives. See the notes to the financial statements for a summary of the Airport's significant accounting policies.

Following this Management Discussion and Analysis (MD&A) are the basic financial statements and supplemental schedules of the Airport. This information taken collectively is designed to provide readers with an understanding of the Airport's finances.

The statements of net position present information on all of the Airport's assets and deferred outflows, and liabilities and deferred inflows, with the difference between these reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of the Airport's financial position.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
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The statements of revenues, expenses, and changes in net position present information showing how the Airport's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will result in cash flows in future fiscal periods.

The principal operating revenues of the Airport are from sources such as airlines, concessions, rental cars, and parking. Investment income, passenger facility charges, customer facility charges, federal grants, and other revenues not related to the operations of the Airport are non-operating revenues. Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Interest expense and financing costs are non-operating expenses.

The statements of cash flows relate to the flows of cash and cash equivalents. Consequently, only transactions that affect the Airport's cash accounts are recorded in these statements. A reconciliation is a part of these statements to assist in the understanding of the difference between cash flows from operating activities and operating income or loss.

Financial Position

Total assets and deferred outflows of resources increased by \$386,564,636 (26.3%) this year due primarily to the increase in capital projects by \$326,347,844, offset by the current year depreciation of \$33,980,565, and the increase in investments by \$92,288,037, related to bond proceeds from the issuance of 2017 Series bonds. Total liabilities and deferred inflows increased by \$334,813,074 (32.6%) primarily resulting from an increase in bonds payable by \$326,927,130 and an increase in accounts payable by \$8,071,582, offset by a decrease in loans payable of \$12,846,357 and a decrease in net pension liability by \$2,939,629 related to pension plan discussed in Note 9.

The largest portion of the Airport's net position, \$166,410,610 (33.8%) at 2017 and \$167,618,709 (38.1%) at 2016, represents its net investment in capital assets (e.g., land, buildings, machinery, and equipment). The Airport uses these assets to provide services to its passengers, visitors, and tenants of the airport; consequently, these assets are not available for future spending. Although the Airport's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from operations, since the capital assets cannot be used to liquidate these liabilities.

An additional portion of the Airport's net position, \$263,156,679 (53.5%) at 2017 and \$210,593,305 (47.8%) at 2016, represents resources that are subject to restrictions from contributors, bond indentures, and state and federal regulations on how they may be used. The remaining balance of unrestricted net position, \$62,383,960 (12.7%) at 2017 and \$61,987,673 (14.1%) at 2016, may be used to meet the Airport's ongoing obligations.

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Summary of Net Position (in thousands)

	<u>2017</u>	<u>(Restated)</u> <u>2016</u>	<u>2015</u>
Assets:			
Current assets:			
Unrestricted assets	\$ 102,695	\$ 105,968	\$ 84,794
Restricted assets	87,185	33,503	45,720
Noncurrent assets:			
Unrestricted assets	1,343	3,782	4,053
Restricted assets	591,335	545,182	702,654
Net capital assets	<u>1,054,049</u>	<u>760,520</u>	<u>559,129</u>
Total assets	<u>\$ 1,836,607</u>	<u>\$ 1,448,955</u>	<u>\$ 1,396,350</u>
Deferred Outflows of Resources:			
Deferred amounts related to pension liability	\$ 4,002	\$ 5,952	\$ 3,906
Deferred losses on advance refunding	<u>14,260</u>	<u>13,397</u>	<u>15,656</u>
Total deferred outflows	<u>\$ 18,263</u>	<u>\$ 19,349</u>	<u>\$ 19,562</u>
Liabilities:			
Current liabilities	\$ 114,537	\$ 96,032	\$ 67,543
Noncurrent liabilities	<u>1,246,649</u>	<u>931,452</u>	<u>952,849</u>
Total liabilities	<u>\$ 1,361,186</u>	<u>\$ 1,027,484</u>	<u>\$ 1,020,392</u>
Deferred Inflows of Resources:			
Deferred amounts related to pension liability	\$ <u>1,733</u>	\$ <u>621</u>	\$ <u>894</u>
Total deferred inflows	<u>\$ 1,733</u>	<u>\$ 621</u>	<u>\$ 894</u>
Net Position:			
Net investment in capital assets	\$ 166,410	\$ 167,619	\$ 130,422
Restricted	263,157	210,593	226,008
Unrestricted	<u>62,384</u>	<u>61,987</u>	<u>38,196</u>
Total net position	<u>\$ 491,951</u>	<u>\$ 440,199</u>	<u>\$ 394,626</u>

During the year ended December 31, 2017, the Airport identified an understatement of grant revenues received in 2017 from FAA for the year ended December 31, 2016. Financial statements as of and for the year ended December 31, 2016 have been restated as discussed in Note 12.

Debt Activity

At December 31, 2017 and 2016, the Airport had total debt outstanding of \$1,244,425,675 and \$930,344,902, respectively. The Airport's debt represents bonds secured solely by operating, PFC and CFC revenue. As of the date of the audit all required bond and loan principal and interest payments have been made.

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Outstanding Debt (in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Bonds payable:			
Revenue Refunding Bonds 2007 (PFC)	\$ -	\$ 65,980	\$ 69,340
Revenue Refunding Bonds 2009A-C	21,915	83,700	93,490
GO Zone CFC Revenue Bonds 2009A	91,270	93,100	94,845
GO Zone PFC Revenue Bonds 2010A-B	53,640	53,640	53,640
Revenue Bonds 2015A-B	565,325	565,325	565,325
Revenue Bonds 2017A-D	420,690	-	-
Unamortized bond discount	(2,251)	(2,671)	(2,833)
Unamortized bond premium	93,321	57,909	60,746
Loans payable:			
GO Zone Tax Credit Bonds	-	13,362	20,152
Series 2017 Interim Drawdown Notes	516	-	-
	<u>\$ 1,244,426</u>	<u>\$ 930,345</u>	<u>\$ 954,705</u>

More detailed information on long-term debt can be found in Note 7 of the accompanying financial statements.

Capital Assets

The Airport's investment in capital assets for the years ended December 31, 2017 and 2016 can be noted in the following tables. The total increase for the year ended December 31, 2017 and 2016 was 22.8% and 20.1%, respectively, before accumulated depreciation and amortization. The increase is related to construction in progress additions during the year for the following major projects:

Project	Approximate cost during FY 2017 (not including capitalized interest)
North Terminal Project Design/Construction	\$259 million
Roadways Development Program	\$38 million
Project	Approximate cost during FY 2016 (not including capitalized interest)
North Terminal Project Design/Construction	\$144 million
Stormwater/NAVAIDS	\$39 million
Roadways Development Program	\$34 million

These increases were offset by the completion of various projects. More detailed information on capital assets can be found in Note 6 of the accompanying financial statements.

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Net Capital Assets (in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land	\$ 77,980	\$ 77,980	\$ 81,292
Air rights	22,282	22,282	22,282
Land improvements	505,322	505,322	506,384
Buildings and furnishings	420,819	420,118	419,907
Equipment	9,934	9,474	9,230
Computers	1,190	1,190	972
Utilities	53,413	53,413	42,336
Heliport	3,074	3,074	3,074
Construction in progress	670,635	344,287	111,090
Total capital assets	<u>1,764,650</u>	<u>1,437,140</u>	<u>1,196,567</u>
Less accumulated depreciation	<u>710,600</u>	<u>676,619</u>	<u>637,438</u>
Net capital assets	<u>\$ 1,054,049</u>	<u>\$ 760,521</u>	<u>\$ 559,129</u>

Airlines Rates and Charges

As previously discussed, an Airline Airport Use and Lease Agreement became effective January 1, 2009. The rates for 2017, 2016, and 2015 are as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Terminal building rental rates (per sq. ft.)	\$ 74.62	\$ 82.99	\$ 77.78
Landing fee rate (per 1,000 lbs.)	1.13	1.86	1.65
Apron use fee rate (per sq. ft.)	1.20	1.23	1.20
Loading bridge use fee (per bridge)	10,265	12,044	11,725
Enplaned passenger use fee (per passenger)	6.22	6.74	7.09

Under the terms of the agreement, these rates are subject to a year-end settlement. The Airport is required to use its best efforts such that within the later of (i) one hundred twenty (120) days following the close of each fiscal year or (ii) within sixty (60) days of receipt of audited financial statements, rates for rentals, fees, and charges for the preceding fiscal year shall be recalculated using available financial data and the methods set forth in the agreement.

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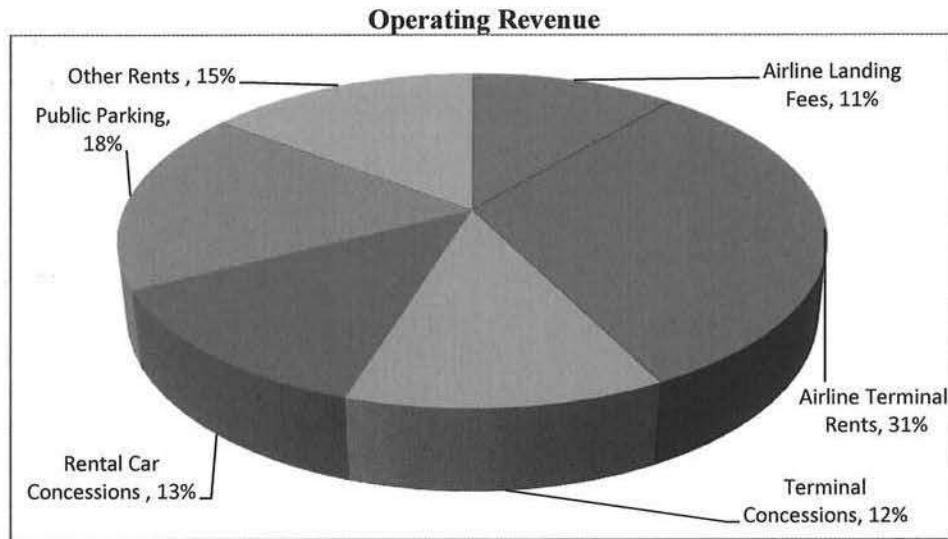
Management's Discussion and Analysis

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Revenues

The following chart shows major sources and the percentage of operating revenues for the year ended December 31, 2017.



Operating Revenues (in thousands)

	2017	2016	2015
Passenger and cargo airlines:			
Airline landing fees	\$ 8,799	\$ 11,911	\$ 10,561
Airline terminal rents	24,587	26,317	25,627
Land rents	98	100	100
Other rents	4,598	3,031	2,906
Total passenger and cargo airlines	38,082	41,359	39,194
Non airline rentals:			
Terminal concessions	9,655	8,569	7,961
Car rental concessions	9,958	9,953	9,999
Public parking	13,913	12,578	10,738
Other rents	6,877	6,957	5,681
Total nonairline revenues	40,403	38,057	34,379
Total operating revenues	\$ 78,485	\$ 79,416	\$ 73,573

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2017 vs. 2016

The 2017 Airline Lease Agreement was executed on January 1, 2016. Total air carrier revenue for 2017 decreased by \$3.3 million (9.2%) compared to 2016 primarily due to increased non-airline revenues which reduces the amount of revenues received from the airlines and savings due to the refunding of the Series 2009 bonds. Non-airline revenues increased by \$2.3 million (6.2%) due primarily to a 7.8% increase in passengers.

2016 vs. 2015

The 2016 Airline Lease Agreement was executed on January 1, 2016. Total air carrier revenue for 2016 increased by \$2.2 million (5.5%) compared to 2015 due to increases in service by new and existing airlines and a 4.4% increase in passengers. Non-airline revenues increased by \$3.7 million (10.7%) due primarily to an increase in parking rates and ground transportation revenue relative to the increase in passengers.

Cost per enplaned passenger (CPE) is a measure used by the airline industry to reflect the costs an airline pays to operate at an airport based upon the number of enplaned passengers for that airport. The cost per enplaned passenger increased from \$7.12 in 2015 to \$7.21 in 2016 and decreased to \$5.92 in 2017.

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Cost per enplaned passenger:			
Airline revenues	\$ 35,482	\$ 40,177	\$ 38,008
Enplaned passengers	5,998	5,572	5,336
Cost per enplaned passenger	<u>\$ 5.92</u>	<u>\$ 7.21</u>	<u>\$ 7.12</u>

Non-Operating Revenues and Capital Contributions (in thousands)

The following chart shows major sources of non-operating revenues for the years ended December 31, 2017, 2016, and 2015.

	<u>2017</u>	<u>(Restated) 2016</u>	<u>2015</u>
Investment income	\$ 2,316	\$ 149	\$ 41
Passenger facility charges	24,446	22,137	21,162
Customer facility charges	17,038	15,276	13,148
Capital contributions	29,780	33,621	10,406
Gain (loss) on disposal of assets	-	(1,425)	28
Other	3,183	1,947	3,264
	<u>\$ 76,763</u>	<u>\$ 71,705</u>	<u>\$ 48,049</u>

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(Unaudited)

2017 vs. 2016

Non-operating revenues for 2017 increased by approximately \$5.1 million compared to 2016, due primarily to investment income generated from interest earned from deposits and investments at financial institutions. In addition, collection on PFC and CFC increased in 2017 due to increased number of passenger passed through the Airport during the year.

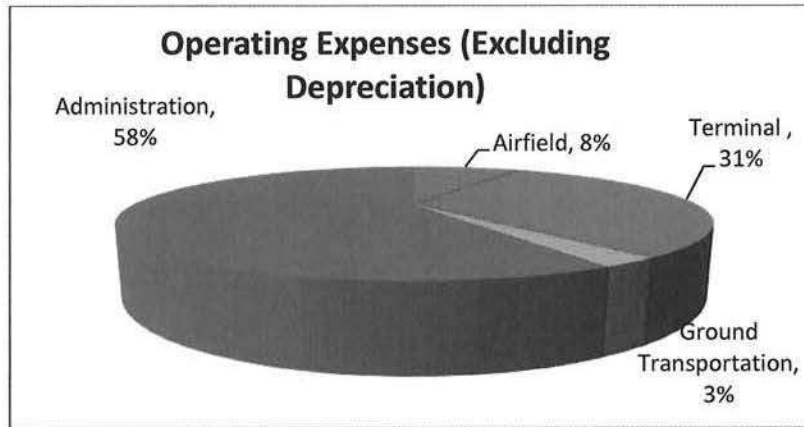
2016 vs. 2015

Non-operating revenues for 2016 increased by approximately \$22.5 million compared to 2015, due primarily to amounts received from the federal government to finance the cost of construction of airport facilities.

Expenses

The following chart shows major expense categories and the percentage of operating expenses for the year ended December 31, 2017.

Operating Expenses (Excluding Depreciation)



Operating Expenses before Depreciation

	2017	2016	2015
Direct			
Airfield	\$ 3,637	\$ 2,904	\$ 2,345
Terminal	14,514	13,382	11,090
Ground transportation	1,173	928	1,164
Administration	26,856	26,176	26,185
	<u>\$ 46,180</u>	<u>\$ 43,390</u>	<u>\$ 40,784</u>

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2017 vs. 2016

The operating expenses, before depreciation and amortization, increased by approximately \$2.8 million compared to the prior year, due primarily to an increase in terminal related expenses of \$1.2 million and increase in airfield expenses of \$733,000 in 2017 as total number of passenger passed through the Airport increased by approximately 870,000.

2016 vs. 2015

The operating expenses, before depreciation and amortization, increased by approximately \$2.6 million compared to the prior year, due primarily to an increase in terminal related expenses of \$2.3 million in 2016.

Non-Operating Expenses

The following chart shows major expense categories of non-operating expenses for the years ended December 31, 2017, 2016, and 2015 (in thousands).

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Interest expense	\$ 17,864	\$ 17,528	\$ 18,230
Other	5,473	5,448	5,715
	<u>\$ 23,337</u>	<u>\$ 22,976</u>	<u>\$ 23,945</u>

2017 vs. 2016

Non-operating expenses increased by approximately \$361,000 in 2017 compared to 2016, due primarily to an increase in interest expense incurred for the outstanding bonds during 2017.

2016 vs. 2015

Non-operating expenses decreased by \$969,000 in 2016 compared to 2015, due primarily to a decrease in interest expense.

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Total Revenues and Expenses (in thousands)

The following table reflects the total revenues and expenses for the Airport (in thousands):

	<u>2017</u>	<u>(Restated) 2016</u>	<u>2015</u>
Total operating revenues	\$ 78,486	\$ 79,416	\$ 73,573
Total non-operating revenues	<u>76,763</u>	<u>71,183</u>	<u>44,757</u>
Total revenues	<u>\$ 155,249</u>	<u>\$ 150,599</u>	<u>\$ 118,330</u>
Total operating expenses	\$ 80,161	\$ 82,572	\$ 81,266
Total non-operating expenses	<u>23,337</u>	<u>22,454</u>	<u>20,652</u>
Total expenses	<u>\$ 103,498</u>	<u>\$ 105,026</u>	<u>\$ 101,918</u>

Summary of Changes in Net Position (in thousands)

	<u>2017</u>	<u>(Restated) 2016</u>	<u>2015</u>
Summary of changes in net position:			
Operating revenues	\$ 78,486	\$ 79,417	\$ 73,573
Operating expenses before depreciation	<u>46,180</u>	<u>43,390</u>	<u>40,784</u>
Operating income before depreciation and amortization	<u>32,306</u>	<u>36,027</u>	<u>32,789</u>
Depreciation	<u>33,981</u>	<u>39,181</u>	<u>40,481</u>
Operating income (loss)	<u>(1,675)</u>	<u>(3,154)</u>	<u>(7,692)</u>
Non-operating revenues, net	<u>23,646</u>	<u>15,107</u>	<u>13,698</u>
Income before capital contributions and transfers	21,971	11,953	6,006
Capital contributions	<u>29,780</u>	<u>33,621</u>	<u>10,406</u>
Change in net position	<u>\$ 51,751</u>	<u>\$ 44,574</u>	<u>\$ 16,412</u>

Operating income before depreciation and amortization decreased \$3.7 million (10.3%) in 2017 compared to 2016. Depreciation and amortization expense decreased \$5.2 million (13.3%) due to certain assets being fully depreciated in 2016. Capital contributions decreased by \$3.8 million (11.4%) due primarily to a decrease in contribution from the FAA by \$7.1 million, offset by a contribution from the Transportation Security Administration (TSA) of \$5.1 million in 2017.

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Debt Service Coverage

Airport revenue bond covenants require that net revenues together with the sum on deposit in the rollover coverage account on the last day of the immediately preceding fiscal year will at least equal 125% of the bond debt service requirement with respect to the bonds for such fiscal year. The bond resolution for the Revenue Refunding Bonds Series 2007A, 2007B-1, and 2007B-2, PFC Projects had a remaining ratio requirement of 105.0% or greater obtained by dividing the available amount by the cumulative debt amount. Coverage ratios for the past three years are shown in the following table.

Revenue Refunding Bonds	2017	2016	2015
GARB Series Bonds	309.0%	279.0%	259.0%
PFC Series Bonds	553.8%	226.4%	215.6%

The Board approved the Rollover Coverage for fiscal years 2012-2017 in the amounts of, \$3,719,960, \$3,720,332, \$3,719,082, \$3,721,446, \$3,729,060, and \$3,740,582 respectively. The funds are transferred monthly, in ratable portions of the total, to the NOAB Rollover Coverage Account held by the City of New Orleans, and then transferred to the Airport Operating Account, held by the City of New Orleans. The Airport's calculation of the historical debt service coverage ratio, as presented in Supplemental Schedule 3 to the financial statements is 309.0% for the year ended December 31, 2017 and 279.0% for the year ended December 31, 2016.

The Airport is current on all debt service payments as required by the bonds, and there has been no documented correspondence from the bond insurers or bond holders regarding noncompliance with the debt service coverage covenant.

Airport Activities and Highlights

Passenger totals for 2017 increased by 870,091 (7.8%), from 11,139,421 passengers in 2016 to 12,009,512 passengers in 2017, due to larger aircrafts such as Boeing 767 and 787 used by the carriers serving the Airport. Passenger aircraft operations increased slightly from 108,697 operations in 2016 to 108,847 in 2017 (0.1%). Aircraft landed weights increased from 6,771,515 in 2016 to 7,328,602 in 2017 (4.2%).

Passenger totals for 2016 increased by 446,120 (4.4%), from 10,673,301 passengers in 2015 to 11,139,421 passengers in 2016, due to an increase in passenger activity. Passenger aircraft operations increased from 102,637 operations in 2015 to 108,697 in 2016 (5.9%). Aircraft landed weights increased from 6,499,788 in 2015 to 6,771,515 in 2016 (4.2%).

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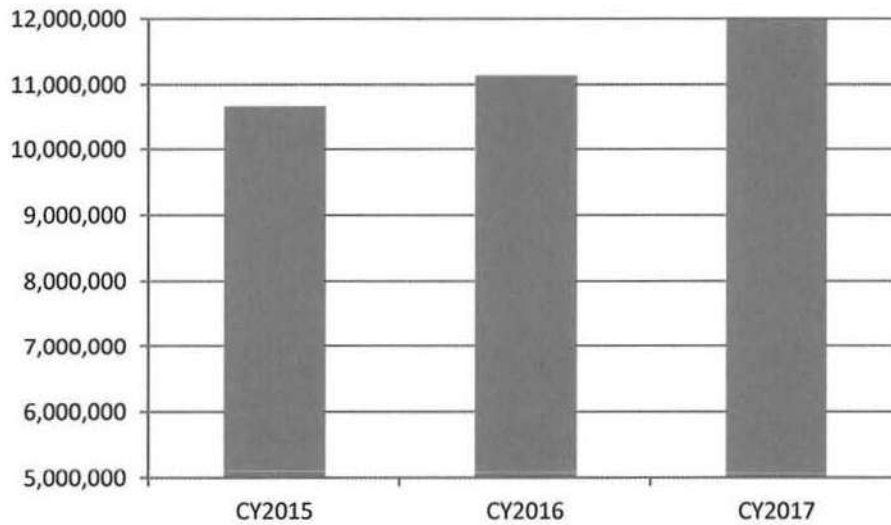
(Unaudited)

Selected statistical information about total passengers, aircraft landed weight, and air carrier operations for the past three years are presented in the table below.

Fiscal year	Total passengers	Landed weight (1,000 pound units)	Air carrier operations
2015	10,673,301	6,499,788	102,637
2016	11,139,421	6,771,515	108,697
2017	12,009,512	7,328,602	108,847

Fiscal year	Number of daily departures	Number of destinations	Average daily seats
2015	148	56	20,688
2016	147	59	19,200
2017	140	49	18,400

Total Passengers for the Year



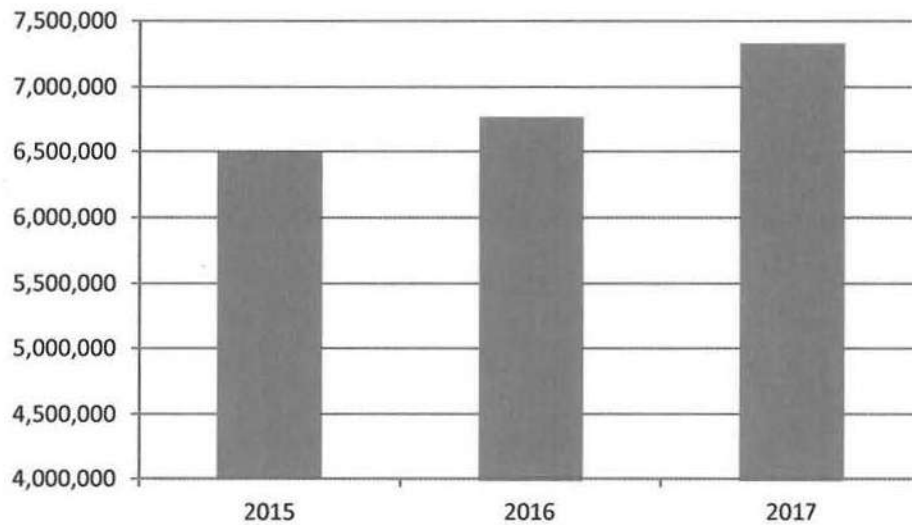
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(A Proprietary Component Unit of the City of New Orleans)

Management's Discussion and Analysis

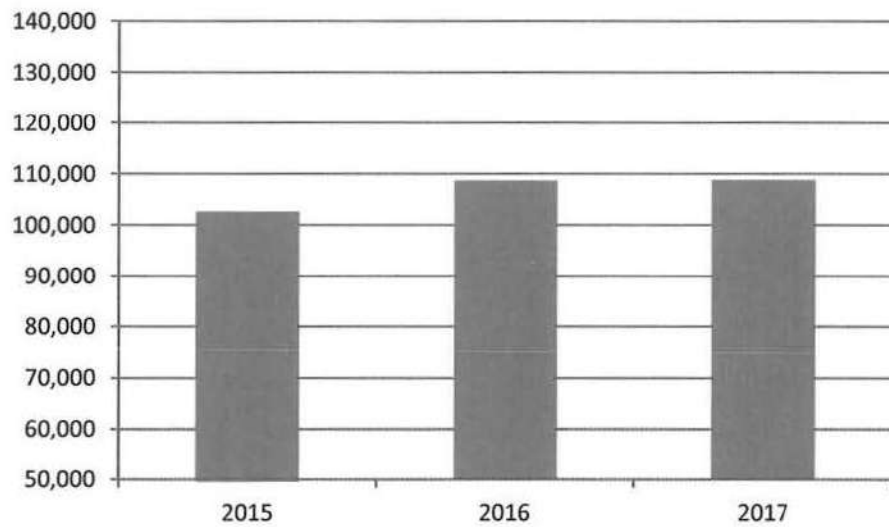
December 31, 2017 and 2016

(Unaudited)

Landed Weight per 1,000 pounds



Number of Passenger Flight Operations



LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Management's Discussion and Analysis

December 31, 2017 and 2016

(Unaudited)

Economic Factors and Next Year's Budget

The Airport budgeted for an increase in 2018 non-airline revenue of \$1.9 million, which is a 4.7% increase over last year's budget. This is driven by an expected increase in enplaned passengers of approximately 5.9%.

Compared to the 2017 budget, the Airport proposed an increase in the 2018 operating expenses of \$6.8 million. This increase will address leadership recruitment, North Terminal transition services, and customer service. The Airport continues to budget and maintain a competitive total cost per enplanement (CPE) rate. The 2018 budgeted CPE of \$5.79 is well under the Airport's goal of maintaining a CPE of less than \$10.

Requests for Information

This financial report is designed to provide a general overview of the Airport's finances. Questions concerning any of the information should be addressed to the Chief Financial Officer, Louis Armstrong New Orleans International Airport, Post Office Box 20007, New Orleans, Louisiana 70141.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

(A Proprietary Component Unit of the City of New Orleans)

Statements of Net Position

December 31, 2017 and 2016

	<u>2017</u>	<u>(Restated) 2016</u>
Assets and Deferred Outflows of Resources		
Current assets:		
Unrestricted assets:		
Cash (note 2)	\$ 12,896,253	\$ 11,012,279
Accounts receivable, less allowance for doubtful accounts of \$518,353 in 2017; \$62,136 in 2016	7,765,338	6,855,067
Due from the City of New Orleans	52,064	394,338
Investments (note 2)	80,705,525	86,049,773
Interest receivable	841,046	1,192,472
Prepaid expenses and deposits	434,578	463,636
Total current unrestricted assets	<u>102,694,804</u>	<u>105,967,565</u>
Restricted assets (notes 2, 5, and 7):		
Cash	6,472,875	1,960,413
Investments (note 2)	50,225,147	14,033,797
Passenger facility charges receivable	2,748,352	2,227,994
Customer facility charges receivable	1,287,582	1,266,557
Capital grant receivable	25,234,227	14,014,311
Total current restricted assets	<u>85,968,183</u>	<u>33,503,072</u>
Total current assets	<u>188,662,987</u>	<u>139,470,637</u>
Noncurrent assets:		
Unrestricted assets:		
Capital assets (note 6):		
Capital assets not being depreciated	770,896,887	444,549,043
Capital assets being depreciated	993,752,642	992,591,354
Less accumulated depreciation	<u>(710,600,085)</u>	<u>(676,619,520)</u>
Net capital assets	<u>1,054,049,444</u>	<u>760,520,877</u>
Prepaid insurance on revenue bonds, less accumulated amortization of \$2,427,210 in 2017; \$2,161,630 in 2016	414,634	2,907,854
Advances to related facility management company	927,956	874,359
Total noncurrent unrestricted assets	<u>1,055,392,034</u>	<u>764,303,090</u>
Restricted assets (note 2 and note 5):		
Cash	-	14,071,175
Investment	592,552,250	531,111,315
Total noncurrent restricted assets	<u>592,552,250</u>	<u>545,182,490</u>
Total noncurrent assets	<u>1,647,944,284</u>	<u>1,309,485,580</u>
Total assets	<u>1,836,607,271</u>	<u>1,448,956,217</u>
Deferred outflows of resources		
Deferred amounts related to net pension liability	4,002,292	5,952,149
Deferred losses on advance refunding	14,260,427	13,396,988
Total deferred outflows of resources	<u>18,262,719</u>	<u>19,349,137</u>
Total assets and deferred outflows of resources	<u>\$ 1,854,869,990</u>	<u>\$ 1,468,305,354</u>

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

(A Proprietary Component Unit of the City of New Orleans)

Statements of Net Position

December 31, 2017 and 2016

	<u>2017</u>	<u>(Restated) 2016</u>
Liabilities and Deferred Inflows of Resources		
Current liabilities:		
Payable from unrestricted assets:		
Accounts payable and accrued expenses	\$ 22,760,640	\$ 14,689,058
Due to City of New Orleans	3,757,524	3,796,473
Due to federal government	-	1,080,000
Accrued salaries and other compensation	2,050,451	1,781,141
Total unrestricted current liabilities	<u>28,568,615</u>	<u>21,346,672</u>
Payable from restricted assets:		
Capital projects payable	45,194,069	34,955,587
Bonds payable, current portion (note 7)	12,615,000	15,590,000
Accrued bond interest payable	28,159,114	22,453,339
Loans payable, current portion (note 7)	-	1,080,350
Loan interest payable	-	606,280
Total restricted current liabilities	<u>85,968,183</u>	<u>74,685,556</u>
Total current liabilities	<u>114,536,798</u>	<u>96,032,228</u>
Noncurrent liabilities:		
Bonds payable, less current portion and unamortized discount/premium (note 7)	1,231,294,665	901,392,535
Loans payable (note 7)	516,010	12,282,017
Net pension liability	14,838,531	17,778,160
Total noncurrent liabilities	<u>1,246,649,206</u>	<u>931,452,712</u>
Total liabilities	<u>1,361,186,004</u>	<u>1,027,484,940</u>
Deferred inflows of resources		
Deferred amounts related to net pension liability	1,732,737	620,727
Total liabilities and deferred inflows of resources	<u>1,362,918,741</u>	<u>1,028,105,667</u>
Net Position		
Net investment in capital assets	166,410,610	167,618,709
Restricted for:		
Debt service	161,393,385	98,050,305
Capital acquisition	89,833,487	100,677,583
Operating reserve	11,929,807	11,865,417
Unrestricted	62,383,960	61,987,673
Total net position	<u>491,951,249</u>	<u>440,199,687</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 1,854,869,990</u>	<u>\$ 1,468,305,354</u>

See accompanying notes to financial statements.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

(A Proprietary Component Unit of the City of New Orleans)

Statements of Revenues, Expenses, and Changes in Net Position

Years ended December 31, 2017 and 2016

	<u>2017</u>	(Restated) <u>2016</u>
Operating revenues:		
Airfield	\$ 12,659,542	\$ 15,279,443
Terminal	61,744,206	60,461,012
Ground transportation	<u>4,081,820</u>	<u>3,676,170</u>
Total operating revenues	<u>78,485,568</u>	<u>79,416,625</u>
Operating expenses:		
Direct:		
Airfield	3,637,353	2,903,811
Terminal	14,514,107	13,382,150
Ground Transportation	1,172,774	928,297
Depreciation	33,980,565	39,181,389
Administrative	<u>26,855,812</u>	<u>26,176,349</u>
Total operating expenses	<u>80,160,611</u>	<u>82,571,996</u>
Operating income (loss)	<u>(1,675,043)</u>	<u>(3,155,371)</u>
Nonoperating revenues (expenses):		
Investment income	2,316,112	148,865
Interest expense	(17,864,046)	(17,528,355)
Passenger facility charges	24,445,693	22,137,323
Customer facility charges	17,038,019	15,275,732
Gain/(loss) on disposal of assets	-	(1,424,800)
Cost of issuance of bonds	(2,363,371)	-
Other, net	<u>74,070</u>	<u>(3,500,575)</u>
Total nonoperating revenues, net	<u>23,646,477</u>	<u>15,108,190</u>
Revenue before capital contributions	21,971,434	11,952,819
Capital contributions (note 8)	<u>29,780,128</u>	<u>33,620,725</u>
Change in net position	51,751,562	45,573,544
Net position, beginning of year (Restated)	440,199,687	394,626,143
Total net position, end of year	\$ <u><u>491,951,249</u></u>	\$ <u><u>440,199,687</u></u>

See accompanying notes to financial statements.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

(A Proprietary Component Unit of the City of New Orleans)

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Cash received from customers	\$ 77,575,297	\$ 78,505,315
Cash paid to suppliers for goods and services	(24,427,728)	(27,548,835)
Cash paid to employees and on behalf of employees for services	(12,956,805)	(10,298,953)
Net cash provided by operating activities	<u>40,190,764</u>	<u>40,657,527</u>
Cash flow from noncapital financing activities:		
Sales tax receipts	1,060,249	1,123,387
Operating grants and reimbursements from other governments	681,112	527,162
Advance to related facility management company	(53,597)	-
Other payments	(254,071)	(5,162,686)
Net cash provided by (used in) noncapital financing activities	<u>1,433,693</u>	<u>(3,512,137)</u>
Cash flows from capital and related financing activities:		
Passenger facility charges collected	23,925,335	21,964,848
Customer facility charges collected	17,016,994	15,095,669
Gain/(Loss) from disposition of property	-	(1,424,800)
Acquisition and construction of capital assets	(279,546,300)	(189,790,615)
Capital grants received	18,560,212	23,617,989
Issuance of revenue bonds	460,965,621	-
Principal paid on loan and revenue bond maturities	(142,441,357)	(21,684,534)
Interest paid on bonds and loans	(55,795,831)	(45,048,566)
Cost of bond issuance and insurance	(2,363,371)	-
Net cash provided by (used in) capital and related financing activities	<u>40,321,303</u>	<u>(197,270,009)</u>
Cash flows from investing activities:		
Sales of investments	1,617,014,006	1,002,598,363
Purchases of investments	(1,709,302,043)	(824,969,409)
Interest and dividends on investments	2,667,538	(1,043,607)
Net cash (used in) provided by investing activities	<u>(89,620,499)</u>	<u>176,585,347</u>
Net increase in cash and cash equivalents	(7,674,739)	16,460,728
Cash and cash equivalents at beginning of year	<u>27,043,867</u>	<u>10,583,139</u>
Cash and cash equivalents at end of year (note 2)	\$ <u>19,369,128</u>	\$ <u>27,043,867</u>
Cash, current unrestricted	\$ 12,896,253	\$ 11,012,279
Cash, current restricted	6,472,875	1,960,413
Cash, noncurrent restricted	-	14,071,175
Cash and cash equivalents at end of year (note 2)	\$ <u>19,369,128</u>	\$ <u>27,043,867</u>

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT

(A Proprietary Component Unit of the City of New Orleans)

Statements of Cash Flows

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating income (loss)	\$ <u>(1,675,043)</u>	\$ <u>(3,155,371)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation and impairment write-down	33,980,565	39,181,389
Change in allowance for doubtful accounts	456,217	18,210
Changes in assets and liabilities:		
Accounts receivable	(1,366,488)	(929,520)
Prepaid expenses and deposits	29,058	(41,641)
Due from City of New Orleans	342,274	(151,930)
Deferred outflows of resources related to net pension liability	1,949,857	(2,046,336)
Accounts payable	8,071,582	3,108,063
Accrued salaries and other compensation	269,310	30,242
Net pension liability	(2,939,629)	2,719,657
Due to City of New Orleans	(38,949)	2,198,188
Deferred inflows of resources related to net pension liability	1,112,010	(273,424)
Total adjustments	<u>41,865,807</u>	<u>43,812,898</u>
Net cash provided by operating activities	\$ <u><u>40,190,764</u></u>	\$ <u><u>40,657,527</u></u>

See accompanying notes to financial statements.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Notes to Financial Statements

December 31, 2017 and 2016

(1) Summary of Significant Accounting Policies

(a) Organization

The Louis Armstrong New Orleans International Airport (the Airport) is a proprietary component unit of the City of New Orleans, Louisiana. The New Orleans Aviation Board (the Board) was established in 1943 to provide for the operation and maintenance of the Airport. The Board consists of nine members appointed by the Mayor of the City of New Orleans with approval of the New Orleans City Council. The City of Kenner, Louisiana and the Parish of St. Charles, Louisiana each have input as to the selection of one board member.

The accompanying policies of the Airport conform to accounting principles generally accepted in the United States of America as applicable to proprietary component units of governmental entities.

(b) Basis of Presentation

Proprietary fund accounting is used for the Airport's ongoing operations and activities which are similar to those often found in the private sector. Proprietary funds are accounted for using the economic resources measurement focus. The Airport is a proprietary component unit and accounts for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges and (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The principal operating revenues of the Airport are from sources such as airlines, concessions, rental cars, and parking. Investment income, passenger facility charges, customer facility charges, federal and state grants, and other revenues not related to the operations of the Airport are non-operating revenues. Operating expenses include the cost of airport and related facilities maintenance, administrative expenses, and depreciation on capital assets. Interest expense and financing costs are non-operating expenses.

(c) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting under which revenues are recognized when earned and expenses are recognized when incurred. Revenues from landing and airfield fees, terminal building, rental building, and leased areas are reported as operating revenues. Transactions, which are capital, financing, or investing related, are reported as non-operating revenues. Expenses from employee wages and benefits, purchase of services, materials and supplies, and other miscellaneous expenses are reported as operating expenses. Interest expense and financing costs are reported as non-operating expenses.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Notes to Financial Statements

December 31, 2017 and 2016

(d) *Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(e) *Allowance for Uncollectible Accounts Receivable*

An allowance for estimated uncollectible accounts receivable is established at the time information becomes available, which would indicate the uncollectibility of the particular receivable. The Airport estimates the allowance balance based on specific identification.

(f) *Investments*

Investments are carried at fair value in the financial statements. Unrealized gains and losses on investments are reflected in the Statements of Revenues, Expenses, and Changes in Net Position. Short-term and money market investments with a maturity of one year or less and investments in an external investment pool are reported at net asset value (NAV).

(g) *Capital Assets*

Capital assets are carried at cost. An item is classified as an asset if the initial, individual cost is \$5,000 or greater. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance is expensed as incurred. In situations involving the construction of certain assets financed with the proceeds of tax-exempt borrowings, interest earned on related interest-bearing investments from such proceeds are offset against the related interest costs in determining the amount of interest to be capitalized. Capitalized interest totaled \$37,724,350 in 2017 and \$26,709,392 in 2016.

GASB Statement No. 51 *Accounting and Financial Reporting for Intangible Assets* provides that if there are no factors that limit the useful life of an intangible asset, the intangible asset is considered to have an indefinite useful life and should not be amortized. Certain air rights qualify as intangible assets as defined in GASB 51.

Depreciation is provided over the estimated useful lives of the assets using the straight-line method commencing with the date of acquisition or, in the case of assets constructed, the date placed into service.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Notes to Financial Statements

December 31, 2017 and 2016

The estimated useful lives by major classification are as follows:

	Estimated useful lives (years)
Land improvements	10 – 25
Buildings and furnishings	3 – 25
Equipment	3 – 15
Utilities	5 – 25
Heliport	5 – 15

(h) Due from/Due to the City of New Orleans

Amounts recorded as due from and due to the City of New Orleans primarily relate to amounts paid by the City on behalf of the Airport. In addition, the City provides certain administrative services to the Airport. The cost of such services was \$1,753,517 for the years ended December 31, 2017 and 2016, and is recorded in administrative expenses in the Statements of Revenues, Expenses, and Changes in Net Position.

(i) Restricted Assets

Restricted assets include investments required to be maintained for debt service, capital additions and contingencies, operations and maintenance, and escrow under the indentures of the revenue and refunding bonds, as well as investments to be used for the construction of capital improvements. Restricted assets also include receivables related to passenger and customer facility charges and grants.

(j) Long-term Debt

Long-term debt and other long-term obligations are reported as liabilities. Bond issuance costs, excluding any prepaid bond insurance, are reported as expense in the year of debt issuance. Bonded debt premiums, discounts, and gains (loss) or refunding are deferred and amortized over the life of the bonds using the effective interest method. Bond payable is reported net of the applicable bond premium or discount. Gains (losses) on refunding are reported as deferred outflows/inflows of resources.

In conjunction with bonds issued in 2015, 2009 and 2007, insurance was purchased which guarantees the payment of bond principal and interest and expires with the final principal and interest payment on the bonds. The insurance costs were capitalized at the dates of issuance and are being amortized over the life of the bonds. During 2017, the Series 2007 and Series 2009 bonds were fully and partially refunded, respectively, by the Series 2017 series bonds described in Note 7. Insurance costs related to refunded Series 2007 and Series 2009 bonds became fully amortized upon refunding.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Notes to Financial Statements

December 31, 2017 and 2016

(k) Revenue Recognition

Landing and airfield fees, terminal building, rental building, and leased areas rentals are recorded as revenues during the year in which earned. All signatory airlines pay signatory airline rates and charges according to 2016 use and lease agreement. The rates for 2017 and 2016 are as follows:

	2017	2016
Terminal building rental rates (per sq. ft.)	\$ 74.62	\$ 82.99
Landing fee rate (per 1,000 lbs.)	1.13	1.86
Apron use fee rate (per sq. ft.)	1.20	1.23
Loading bridge use fee (per bridge)	10,265	12,044
Enplaned passenger use fee (per passenger)	6.22	6.74

Under the terms of the agreement, these rates are subject to a year-end settlement. The Airport is required to use its best efforts such that within the later of (i) one hundred twenty (120) days following the close of each fiscal year or (ii) within sixty (60) days of receipt of audited financial statements, rates for rentals, fees, and charges for the preceding fiscal year shall be recalculated using available financial data and the methods. For the fiscal years ended December 31, 2017 and 2016, the Airport's final rate structure varied from the rates in effect during the year.

(l) Passenger Facility Charges

On June 1, 1993, the Airport began imposing, upon approval of the Federal Aviation Administration (the FAA), a \$3.00 Passenger Facility Charge (PFC) on each passenger enplaned at the Airport. On April 1, 2002, the FAA approved an increase in the amount of this fee to \$4.50. As of December 31, 2017, the Airport is authorized to collect up to \$965,553,986 of PFC revenue of which \$400,780,085 has been collected. PFC revenues are pledged to secure the Series 2007 Revenue bonds and the Series 2009 Revenue bonds, which funded construction of preapproved capital projects and redeemed prior Series of PFC Bonds. As of December 31, 2017, the legal expiration date and projected expiration date on PFC revenue collection is September 1, 2043 and June 1, 2035, respectively.

(m) Customer Facility Charges

On November 1, 2008, the Airport began imposing a \$5.50 Customer Facility Charge (CFC) on a per transaction day basis to all the On-Airport Rental Car Companies. On May 13, 2009, the Board approved an increase in the CFC charge to \$6.20 which became effective June 1, 2009. On May 19, 2016, the Board approved an increase from \$6.20 to \$7.95 which became effective July 1, 2016. CFC revenues are pledged to secure the Series 2009 Gulf Opportunity Zone CFC Revenue Bonds, which were issued to fund the construction of the Consolidated Rental Car Facility (CONRAC) garage.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Notes to Financial Statements

December 31, 2017 and 2016

(n) Federal Financial Assistance

The Airport receives financial assistance for costs of construction and improvements to airport facilities through grants from the FAA. The Airport is on the reimbursement basis for funds received for financial assistance.

(o) Vacation and Sick Leave

All full-time classified employees of the Airport hired prior to January 1, 1979 are permitted to accrue a maximum of 90 days of vacation (annual leave) and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Employees hired after December 31, 1978 can accrue a maximum of 45 days annual leave and an unlimited number of days of sick leave (accumulated at a maximum of 24 days per year). Upon termination of employment, an employee is paid for their accrued annual leave based on their current hourly rate of pay and for their accrued sick leave on a formula basis. If termination is the result of retirement, the employee has the option of converting their accrued annual and sick leave to additional pension credits. Annual leave and sick leave liabilities are accrued when incurred.

(p) Statements of Cash Flows

For purposes of the statements of cash flows, cash and cash equivalents include unrestricted and restricted cash, consisting primarily of cash in banks and on deposit.

(q) Net Position

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of borrowings for capital asset acquisition, construction, or improvement of those assets, increased by deferred outflows of resources attributable to capital asset acquisition, construction or improvement, and decreased by deferred inflows of resources attributable to either capital asset acquisition, construction, or improvement or to capital asset related debt. Capital-related debt or deferred inflows equal to unspent capital asset related debt proceeds or deferred inflows of resources is included in calculating either restricted or unrestricted net position, depending upon whether the unspent amounts are restricted.

Restricted net position reflects net position when there are limitations imposed on a net position's use by external parties such as creditors, grantors, laws, or regulations of other governments. Restricted net position consists of restricted assets less liabilities related to restricted assets less deferred inflows related to restricted assets. The government's policy is to consider restricted net position to have been depleted before unrestricted net position is applied when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Unrestricted net position is the balance of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Notes to Financial Statements

December 31, 2017 and 2016

(r) *Deferred Outflows/Inflows of Resources*

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The deferred charge on refunding reported on the statements of net position results from the difference in carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows and outflows have been recognized for the net difference between the project and actual investment earnings, this amount is deferred and amortized over a period of five years. In addition, deferred inflows and outflows have been recognized for the differences between the actuarial expectation and the actual economic experience and changes in proportion and difference between the employer's contributions and the proportionate share of contributions related to the defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. See Note 9 for additional information on deferred inflows and outflows related to the pension plan.

(s) *Pension*

The Airport may fund all or part of the accrued pension cost, depending on the resources that are available at the time of contribution, for its contributory pension plan which covers substantially all employees. Annual costs are actuarially computed using the entry age normal cost method.

(t) *Reclassifications*

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements. This reclassification had no effect on previously reported change in net position.

(2) *Cash and Investments*

Included in the Airport's cash balances are amounts deposited with commercial banks in interest bearing and noninterest bearing demand accounts. The commercial bank balances of cash and cash equivalents total \$10,198,645 and \$11,531,751 at December 31, 2017 and 2016, respectively. The commercial bank balances are entirely insured by federal depository insurance or by collateral held by the financial institution in the Airport's name.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Notes to Financial Statements

December 31, 2017 and 2016

The Airport is authorized to invest in securities as described in its investment policy, in each bond resolution and state statute. As of December 31, 2017 and 2016, the Airport held the following investments as categorized below:

Investment Maturities at December 31, 2017

<u>Investment type</u>	<u>Less than 1 year</u>	<u>1 to 5 Years</u>	<u>Total</u>
U.S. government obligations	\$ 388,483,840	\$ 27,034,189	\$ 415,518,029
U.S. agency obligations	22,546,186	8,597,230	31,143,416
Local government investment pool	42,864,088	-	42,864,088
Money market funds	233,957,389	-	233,957,389
	<u>\$ 687,851,503</u>	<u>\$ 35,631,419</u>	<u>\$ 723,482,922</u>

Investment Maturities at December 31, 2016

<u>Investment type</u>	<u>Less than 1 year</u>	<u>1 to 5 Years</u>	<u>Total</u>
U.S. government and agency obligations	\$ 82,150,184	\$ 57,254,309	\$ 139,404,493
Local government investment pool	85,547,021	-	85,547,021
Money market funds	406,243,371	-	406,243,371
	<u>\$ 573,940,576</u>	<u>\$ 57,254,309</u>	<u>\$ 631,194,885</u>

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, investments are generally held to maturity. The Airport's investment policy requires the investment portfolio to be structured to provide sufficient liquidity to pay obligations as they come due.

To the extent possible, investment maturities are matched with known cash needs and anticipated cash flow requirements. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the Bond Resolution relating to the specific bond issue.

Credit Risk: The Airport's general investment policy applies the prudent-person rule:

Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculative investments. Airport policy limits investments to the highest credit rating category of Standard & Poor's (S&P). Funds can only be invested in money market funds rated AAAM, AAM, or AAAM-G by S&P.

In accordance with the Airport's investment policy and bond resolutions, all U.S. government agency securities held in the portfolio are either issued by or explicitly guaranteed by the U.S. government.

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Custodial Credit Risk: For an investment, custodial risk is the risk that, in the event of the failure of the counterparty, the Airport will not be able to recover the values of its investments or collateral securities that are in the possession of an outside party. All of the Airport's investments are either held in the name of the Airport or held in trust under the Airport's name.

Concentration of Credit Risk: The Airport's investments are not subject to a concentration of credit risk.

LAMP Investment: The unrestricted and restricted investments of \$39,123,506 and \$3,740,582, respectively, at December 31, 2017 and \$81,817,961 and \$3,729,060, respectively, at December 31, 2016 are invested in LAMP. LAMP is considered to be an external investment pool administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local Louisiana government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LA-R.S. 33.2955.

The following facts are relevant for LAMP:

- Credit risk: LAMP is rated AAA by Standard & Poor's.
- Custodial credit risk: LAMP participants' investments in the pool are evidenced by shares of the pool. Investments in pools should be disclosed, but not categorized because they are not evidenced by securities that exist in physical or book-entry form. The public entity's investment is with the pool, not the securities that make up the pool; therefore, no disclosure is required.
- Concentration of credit risk: Pooled investments are excluded from the 5 percent disclosure requirement.
- Interest rate risk: LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP prepares its own interest rate disclosure using the weighted average maturity (WAM) method. The WAM of LAMP assets is restricted to not more than 60 days and consists of no securities with a maturity in excess of 397 days.
- Foreign currency risk: Not applicable.

For purposes of determining participants' shares, investments are valued at fair value. The fair value of the participant's position is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the state treasurer and board of directors. LAMP is not registered with the SEC as an investment company.

An annual audit of LAMP is conducted by an independent certified public accountant. The Legislative Auditor of the State of Louisiana has full access to the records of LAMP.

LAMP issues financial reports which can be obtained by writing: LAMP, Inc., 228 St. Charles Avenue, Suite 1123, New Orleans, LA 70130.

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(3) Fair Value Measurement

A summary of the Airport's investments along with the Fair value hierarchy levels of each type of investment is as follows:

Fair Value Hierarchy				
	Total at December 31, 2017	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level:				
U.S. government obligations	\$ 415,518,029	\$ -	\$ 415,518,029	\$ -
U.S. agency obligations	31,143,416	-	31,143,416	-
Total investments at Fair Value Level	<u>446,661,445</u>	<u>\$ -</u>	<u>\$ 446,661,445</u>	<u>\$ -</u>

Investment measured at net asset value (NAV):

Money market funds	233,957,389
LAMP	42,864,088
Total investments at NAV	<u>276,821,477</u>

Total investments \$ 723,482,922

Fair Value Hierarchy				
	Total at December 31, 2016	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investment by Fair Value Level:				
U.S. government and agency obligations	\$ 267,884,875	\$ -	\$ 267,884,875	\$ -
Total investments at Fair Value Level	<u>267,884,875</u>	<u>\$ -</u>	<u>\$ 267,884,875</u>	<u>\$ -</u>

Investment measured at net asset value (NAV):

Money market funds	277,762,989
LAMP	85,547,021
Total investments at NAV	<u>363,310,010</u>

Total investments \$ 631,194,885

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Investments classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

Investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data.

(4) Accounts Receivable

Accounts receivable as of December 31 consist of the following:

	2017	2016
Due from tenants	\$ 5,183,842	\$ 4,297,748
Parking garage	3,099,849	2,525,898
Other	-	93,557
	<u>8,283,691</u>	<u>6,917,203</u>
Less: allowance for doubtful accounts	<u>(518,353)</u>	<u>(62,136)</u>
	<u>\$ 7,765,338</u>	<u>\$ 6,855,067</u>

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(5) Summary of Restricted Assets

Assets restricted for specific purposes in accordance with bond indentures and other legal restrictions are composed of the following at December 31, 2017 and 2016:

		2017														
		Debt service fund	Debt service reserve fund	Capitalized Interest	Coverage account	Ineligible sub-account	Operations and maintenance reserve fund	Capital Improvement fund	GARR Restricted	Receipts fund	Rollover fund	PFC collect	CFC collect	Bond costs	Parking Facility Reserve	Receivables
Assets:																Total
Cash and certificates of deposits	\$	743	362,528	103,562	-	-	-	108,948	(107)	1,947	-	911,618	4,983,836	-	-	- \$
Dreyfus Treasury Prime Cash Management		19,776,496	5,128,978	76,467	1,931,268	676,448	8,189,225	103,305,293	79,296,104	1,115,886	3,740,582	-	10,262,272	834,189	-	214,333,218
JPM U.S. Treasury and U.S. money market fund		-	93,905,300	76,199,155	-	-	-	-	243,233,622	-	-	-	-	-	1,106,162	408,444,179
Passenger facility charges receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,748,352
Capital grant receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	20,430,709
ATF grant receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,302,428
Transportation Security Admin grant receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,501,090
Customer facility charges receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,287,582
	\$	<u>19,777,239</u>	<u>99,396,606</u>	<u>76,379,184</u>	<u>1,931,268</u>	<u>676,448</u>	<u>8,189,225</u>	<u>103,414,241</u>	<u>322,528,619</u>	<u>(117,843)</u>	<u>3,740,582</u>	<u>911,618</u>	<u>15,246,108</u>	<u>834,189</u>	<u>1,106,162</u>	<u>29,270,161</u> \$
																<u>678,520,433</u>
		2016														
		Debt service fund	Debt service reserve fund	Capitalized Interest	Coverage account	Ineligible sub-account	Operations and maintenance reserve fund	Capital Improvement fund	GARR Restricted	Receipts fund	Rollover fund	PFC collect	CFC collect	Bond costs	Parking Facility Reserve	Receivables
Cash and certificates of deposits	\$	(419)	44,219	15,982	-	-	-	-	14,071,175	116,486	-	29,781	1,765,348	-	-	- \$
Dreyfus Treasury Prime Cash Management		11,377,833	67,996,889	37,476,894	1,923,729	673,743	-	99,498,208	286,536,035	912,643	3,729,060	-	7,055,825	654,101	-	508,835,014
JPM U.S. Treasury and U.S. money market fund		12,553,722	14,460,173	-	-	-	8,136,357	-	-	-	-	-	-	-	1,098,962	36,249,214
Passenger facility charges receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,227,994
Capital grant receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,788,731
ATF grant receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,225,580
Customer facility charges receivable		-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,266,557
	\$	<u>23,931,188</u>	<u>82,501,281</u>	<u>37,492,876</u>	<u>1,923,729</u>	<u>673,743</u>	<u>8,136,357</u>	<u>99,498,208</u>	<u>390,657,210</u>	<u>1,029,131</u>	<u>3,729,060</u>	<u>29,781</u>	<u>8,821,073</u>	<u>654,101</u>	<u>1,098,962</u>	<u>17,508,862</u> \$
																<u>578,685,562</u>

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(6) Capital Assets

Capital assets include assets acquired with the Airport's own funds as well as those acquired through resources externally restricted for capital acquisition. A summary of changes in capital assets for the years ended December 31, 2017 and 2016 is as follows:

	Balance December 31, 2016	Additions during year	Deletions/ transfers during year	Balance December 31, 2017
Capital assets not being depreciated:				
Land	\$ 77,979,721	\$ -	\$ -	\$ 77,979,721
Air rights	22,282,449	-	-	22,282,449
Construction in progress	344,286,873	327,509,132	(1,161,288)	670,634,717
Total capital assets not being depreciated	444,549,043	327,509,132	(1,161,288)	770,896,887
Capital assets being depreciated:				
Land improvements	505,321,935	-	-	505,321,935
Buildings and furnishings	420,118,023	701,546	-	420,819,569
Equipment	9,474,115	459,742	-	9,933,857
Computers	1,190,327	-	-	1,190,327
Utilities	53,412,775	-	-	53,412,775
Heliport	3,074,179	-	-	3,074,179
Total capital assets being depreciated	992,591,354	1,161,288	-	993,752,642
Total capital assets	1,437,140,397	328,670,420	(1,161,288)	1,764,649,529
Less accumulated depreciation:				
Land improvements	307,634,702	17,930,946	-	325,565,648
Buildings and furnishings	347,097,663	13,357,002	-	360,454,665
Equipment	7,724,326	434,131	-	8,158,457
Computers	807,621	107,306	-	914,927
Utilities	10,281,496	2,150,901	-	12,432,397
Heliport	3,073,712	279	-	3,073,991
Total accumulated depreciation	676,619,520	33,980,565	-	710,600,085
Total capital assets, net	\$ 760,520,877	\$ 294,689,855	\$ (1,161,288)	\$ 1,054,049,444

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	<u>Balance December 31, 2015</u>	<u>Additions during year</u>	<u>Deletions/ transfers during year</u>	<u>Balance December 31, 2016</u>
Capital assets not being depreciated:				
Land	\$ 81,292,239	\$ -	\$ (3,312,518)	\$ 77,979,721
Air rights	22,282,449	-	-	22,282,449
Construction in progress	111,089,925	243,528,280	(10,331,332)	344,286,873
Total capital assets not being depreciated	<u>214,664,613</u>	<u>243,528,280</u>	<u>(13,643,850)</u>	<u>444,549,043</u>
Capital assets being depreciated:				
Land improvements	506,383,711	609,376	(1,671,152)	505,321,935
Buildings and furnishings	419,906,761	476,927	(265,665)	420,118,023
Equipment	9,229,864	252,766	(8,515)	9,474,115
Computers	972,086	218,241	-	1,190,327
Utilities	42,336,289	11,076,486	-	53,412,775
Heliport	3,074,179	-	-	3,074,179
Total capital assets being depreciated	<u>981,902,890</u>	<u>12,633,796</u>	<u>(1,945,332)</u>	<u>992,591,354</u>
Total capital assets	<u>1,196,567,503</u>	<u>256,162,076</u>	<u>(15,589,182)</u>	<u>1,437,140,397</u>
Less accumulated depreciation:				
Land improvements	286,427,439	21,320,389	(113,126)	307,634,702
Buildings and furnishings	331,459,151	15,712,836	(74,324)	347,097,663
Equipment	7,295,435	428,891	-	7,724,326
Computers	748,843	58,778	-	807,621
Utilities	8,434,651	1,846,845	-	10,281,496
Heliport	3,072,608	1,104	-	3,073,712
Total accumulated depreciation	<u>637,438,127</u>	<u>39,368,843</u>	<u>(187,450)</u>	<u>676,619,520</u>
Total capital assets, net	<u>\$ 559,129,376</u>	<u>\$ 216,793,233</u>	<u>\$ (15,401,732)</u>	<u>\$ 760,520,877</u>

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Construction in progress is composed of the following at December 31, 2017:

Description	December 31, 2017	Remaining commitments at 2017
Airfield lighting vault	\$ 85,648,832	\$ 50,182,093
Airside development	4,661,730	17,637,661
Landside development	7,918,150	115,932,136
New terminal development	389,794,290	199,809,133
Expansion taxiway gulf phase 1	1,707,966	830,231
NAVAIDS project	27,795,288	-
Fuel consortium	2,449,681	-
JetBlue gate relocation	31,904	-
Loading bridges	1,971,906	412,202
LTDP-Hotel development	8,017	-
Storm water pump station	31,750,765	-
Roadways development	81,615,322	37,092,202
Parking – structures	27,794,551	15,076,928
Parking – Surface	1,394,592	1,399,636
Parking – circulation bridge	716,540	-
Roadways Aberdeen	2,704,966	650,169
Southside redevelopment	715,306	7,303,415
Workforce development	957,364	617,171
Miscellaneous Projects	997,547	3,202,359
	<u>\$ 670,634,717</u>	<u>\$ 450,145,336</u>

(7) Long-term Debt

Long-term debt activity for the years ended December 31, 2017 and 2016 was as follows:

Long-Term Debt	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017	Principal due within one year
<u>Bonds Payable:</u>					
Series 2007A Revenue Bonds, fixed interest rate January 1, 2038 at 4.25% final maturity	\$ 56,715,000	-	\$ (56,715,000)	-	-
Series 2007B-1 Revenue Refunding Bonds, fixed interest rate January 1, 2020 at 4.25% final maturity	4,295,000	-	(4,295,000)	-	-
Series 2007B-2 Revenue Refunding Bonds, fixed interest rate January 1, 2019 at 4.25% final maturity	4,970,000	-	(4,970,000)	-	-
Series 2009A-1 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	63,810,000	-	(47,105,000)	16,705,000	7,800,000

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Long-Term Debt	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017	Principal due within one year
<u>Bonds Payable, (continued):</u>					
Series 2009A-2 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	\$ 19,890,000	\$ -	\$ (14,680,000)	\$ 5,210,000	\$ 2,890,000
Series 2009A GO ZONE CFC Revenue bonds, fixed interest rate; January 1, 2040 at 4.625% final maturity	93,100,000	-	(1,830,000)	91,270,000	1,925,000
Series 2010A GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2041 at 4.25% final maturity	52,355,000	-	-	52,355,000	-
Series 2010B GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2038 at 5.125% final maturity	1,285,000	-	-	1,285,000	-
Series 2015A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	54,590,000	-	-	54,590,000	-
Series 2015B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	510,735,000	-	-	510,735,000	-
Series 2017A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	-	100,010,000	-	100,010,000	-
Series 2017B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	-	219,390,000	-	219,390,000	-
Series 2017C Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2023 at 2.949% final maturity	-	46,995,000	-	46,995,000	-
Series 2017D-1 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2020 at 5.0% final maturity	-	4,150,000	-	4,150,000	-
Series 2017D-2 Revenue Refunding Bonds (North Terminal Project), fixed interest rate; January 1, 2038 at 5.0% final maturity	-	50,145,000	-	50,145,000	-

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<u>Long-Term Debt</u>	<u>Balance December 31, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 2017</u>	<u>Principal due within one year</u>
	\$ 861,745,000	\$ 420,690,000	\$ (129,595,000)	\$ 1,152,840,000	\$ 12,615,000
Unamortized discount on bonds	(2,670,986)	-	420,088	(2,250,898)	-
Unamortized premium on bonds	57,908,521	39,759,613	(4,347,571)	93,320,563	-
	<u>916,982,535</u>	<u>460,449,613</u>	<u>(133,522,483)</u>	<u>1,243,909,665</u>	<u>12,615,000</u>
<u>Loans Payable:</u>					
2017 Revenue Interim Drawdown					
Note; variable interest rate of					
65.001% of one-month ICE					
LIBOR plus 0.79% final maturity					
of October 1, 2022	-	516,010	-	516,010	-
Go Zone fixed interest rate, August 1,					
2025 at 4.64% final maturity	13,362,367	-	(13,362,367)	-	-
	<u>13,362,367</u>	<u>516,010</u>	<u>(13,884,850)</u>	<u>516,010</u>	<u>-</u>
	<u>\$ 930,344,902</u>	<u>\$ 460,965,623</u>	<u>\$ (146,884,850)</u>	<u>\$ 1,244,425,675</u>	<u>\$ 12,615,000</u>

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Long-Term Debt	Balance December 31, 2015	Additions	Deductions	Balance December 31, 2016	Principal due within one year
<u>Bonds Payable:</u>					
Series 2007A Revenue Bonds, fixed interest rate January 1, 2038 at 4.25% final maturity	\$ 58,065,000	\$ -	\$ (1,350,000)	\$ 56,715,000	\$ 1,420,000
Series 2007B-1 Revenue Refunding Bonds, fixed interest rate January 1, 2020 at 4.25% final maturity	4,295,000	-	-	4,295,000	-
Series 2007B-2 Revenue Refunding Bonds, fixed interest rate January 1, 2019 at 4.25% final maturity	6,980,000	-	(2,010,000)	4,970,000	2,110,000
Series 2009A-1 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	71,275,000	-	(7,465,000)	63,810,000	7,800,000
Series 2009A-2 Revenue Refunding bonds, fixed interest rate January 1, 2023 at 4.25% final maturity	22,215,000	-	(2,325,000)	19,890,000	2,430,000
Series 2009A GO ZONE CFC Revenue bonds, fixed interest rate; January 1, 2040 at 4.625% final maturity	94,845,000	-	(1,745,000)	93,100,000	1,830,000
Series 2010A GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2041 at 4.25% final maturity	52,355,000	-	-	52,355,000	-
Series 2010B GO ZONE PFC Revenue Bonds, fixed interest rate, January 1, 2038 at 5.125% final maturity	1,285,000	-	-	1,285,000	-
Series 2015A Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	54,590,000	-	-	54,590,000	-
Series 2015B Revenue Bonds (North Terminal Project), fixed interest rate; January 1, 2045 at 5.0% final maturity	510,735,000	-	-	510,735,000	-
	876,640,000	-	(14,895,000)	861,745,000	15,590,000
Unamortized discount on bonds	(2,833,480)	-	162,494	(2,670,986)	-
Unamortized premium on bonds	60,745,913	-	(2,837,392)	57,908,521	-
	934,552,433	-	(17,569,898)	916,982,535	15,590,000
<u>Loans Payable:</u>					
Go Zone fixed interest rate, August 1, 2025 at 4.64% final maturity	20,151,901	-	(6,789,534)	13,362,367	1,080,350
	\$ 954,704,334	\$ -	\$ (24,359,432)	\$ 930,344,902	\$ 16,670,350

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Debt service requirements to maturity for all outstanding bonds are as follows:

	<u>Interest</u>	<u>Principal</u>	<u>Total</u>
Bonds Payable:			
December 31:			
2018	\$ 57,613,538	\$ 12,615,000	\$ 70,228,538
2019	56,297,109	17,010,000	73,307,109
2020	55,800,932	22,360,000	78,160,932
2021	54,948,068	20,835,000	75,783,068
2022	54,159,227	21,590,000	75,749,227
2023-2027	255,553,142	116,275,000	371,828,142
2028-2032	222,493,394	146,790,000	369,283,394
2033-2037	178,863,835	189,190,000	368,053,835
2038-2042	120,999,660	248,160,000	369,159,660
2043-2047	54,445,477	290,840,000	345,285,477
2048	1,679,375	67,175,000	68,854,375
	<u>\$ 1,112,853,757</u>	<u>\$ 1,152,840,000</u>	<u>\$ 2,265,693,757</u>

On May 25, 2017 and October 4, 2017, the Airport issued \$46,995,000, \$4,150,000, and \$50,145,000 of New Orleans Aviation Board General Airport Revenue Refunding Bonds, Series 2017C, 2017D-1, and 2017D-2, respectively. The purpose of the issue was to provide sufficient funds to refund \$62,450,000 of the Airport's Revenue and Revenue Refunding Bonds, Series 2007 and \$51,555,000 of Airport's Revenue Refunding Bonds, Series 2009. The refunding left an outstanding amount of \$21,915,000 in the Series 2009 bonds. The Series 2017C-D bonds were purchased by Citigroup through the placement agent. The interest rate is fixed at 2.949% and 5.00%. Covenants with Citigroup are contained in the Official Statement dated May 11, 2017. The refunding was entered into for the reason of future interest savings. The Airport advance refunded the bonds to reduce total gross debt service payments through January 1, 2038 by \$21,534,272 and to obtain an economic gain of \$7,541,456.

<u>Issued Bond Series</u>	<u>Series 2017C</u>	<u>Series 2017D1</u>	<u>Series 2017D2</u>
	Series 2009		
Refunded Bond Series	Refunding	Series 2007 PFC	Series 2007 PFC
Prior Net Cash Flow	\$ 64,462,380	\$ 4,712,005	\$ 89,771,027
Refunding Debt Service	52,150,085	4,534,386	80,726,669
Difference in Cash Flow	12,312,295	177,619	9,044,358
Net Present Value Savings	2,600,417	190,347	4,750,692

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The Board received approval for participation in the Gulf Tax Credit Bonds Program (Go Zone Tax Credit Bonds) sponsored by the State of Louisiana in an amount not exceeding \$36,000,000. The Airport was approved for \$35,371,990 for an interest free period of 60 months. On August 1, 2006, Hancock Bank as escrow trustee for the State of Louisiana with respect to its GO Zone Tax Credit Bonds Program transferred to the Trustee the amount of \$10,242,550 to be used to pay the August 2, 2006 debt service on the bonds and related interest rate swap payments. Hancock Bank transferred an additional \$25,129,440 in debt service between August 2006 and July 2008 which brought the loan to the approval amount of \$35,371,990. The Go Zone Tax Credit Bonds were retired during the year ended December 31, 2017.

In October 2017, the Airport closed on a \$75 million drawdown credit facility. The facility is designed to cover approximately \$61 million in North Terminal program costs intended to be reimbursed from funding sources that are not expected to be available until after the construction costs are incurred. The estimated future reimbursement sources include: (a) approximately \$36.6 million in PFCs previously approved for projects in the existing terminal that are expected to be approved by the FAA for the North Terminal through an amendment to the original PFC application and (b) approximately \$25 million in state highway grants to be received by the City of New Orleans for airport roadway costs.

(8) Capital Contributions and Transfers

Capital contributions recorded by the Airport represent amounts received from the federal government to finance the cost of construction of airport facilities. During the year ended December 31, 2017, the FAA contributed \$23,865,874, the ATF contributed \$779,867, and the TSA contributed \$5,134,387. During the year ended December 31, 2016, the FAA contributed \$32,236,014 and the ATF contributed \$1,384,711.

(9) Pension Plan

Plan Descriptions

Employees and officers of the Airport are eligible for membership in the Employees' Retirement System of the City of New Orleans (the Plan), a defined benefit retirement plan. A separate financial report on the plan for the year ended December 31, 2017 and 2016 are available from the City of New Orleans Director of Finance, 1300 Perdido Street, Room 1E12, New Orleans, Louisiana 70112, (504) 658-1850.

The Plan is a Defined Benefit Pension Plan established under the laws of the State of Louisiana. The City Charter provided that the Retirement Ordinance (Chapter 114 of the Code) continues to govern and control the Retirement System under the management of the Board of Trustees (the Board), and also for changes in the Retirement System by council action, subject to certain limitations for the purpose of providing retirement allowances, death, and disability benefits to all officers and employees of the parish, except those officers and employees who are already or may hereafter be included in the benefits of any other pension or retirement system of the city, the state or any political subdivision of the state.

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The Plan became operative on July 1, 1947. It is supported by joint contributions of the City and employee members and income from investments. The City makes contributions for members during active service as well as for periods of service of members employed prior to July 1, 1947. In this way, reserves are accumulated from the city and employee contributions.

The general administration and the responsibility for the proper operation of the Retirement System and for making effective the provisions of the Retirement Ordinance are vested in the Board of Trustees of the Retirement System.

Funding Policy

Employee Contributions

4% of earnable compensation over \$1,200 per year. Effective June 1, 2002, \$1,200 removed. Effective January 1, 2012, the rate is 5% and effective January 1, 2013, the rate is 6%.

Employer Contributions

Certain percentage of earnable compensation of each member, known as "normal contributions," determined on the basis of regular interest and mortality tables adopted by the Board, and additional percentage of earnable compensation, known as "Accrued Liability contributions," determined by actuary on basis of the amortization period adopted by the Board of Trustee from time to time. Actual contributions by the Airport were approximate 23.0% and 20.7% of covered payroll for the years ended December 31, 2017 and 2016, respectively.

Benefits Provided

Retirement

Under the System, employees with 30 years of service, or who attain age 60 with 10 years of service, or age 65 and 5 years of service are entitled to a retirement allowance. Effective January 1, 2002, any member whose age and service total 80 may retire with no age reduction. The benefits to retirees consist of the following:

1. An annuity, which is the actuarial equivalent of the employee's accumulated contribution; plus
2. Effective for members retiring on or after January 1, 2002, an annual pension, which, together with above annuity, provides total retirement allowance equal to 2.5% of average compensation times first 25 years, plus 4% of average compensation times creditable service over 25 years.
3. Effective for members retiring before 2002, but on or after January 1, 1983, an annual pension, which, together with above annuity, provides total retirement allowance equal to 2% of average compensation times first 10 years, plus 2 1/2% of average compensation times next 10 years, plus 3% of average compensation times next 10 years, plus 4% of average compensation times creditable service over 30 years.

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4. Effective January 1, 1983, additional pension equal to 2% of \$1,200 times first 10 years, plus 2 1/2% of \$1,200 times next 10 years, plus 3% of \$1,200 times next 10 years, plus 4% of \$1,200 times service over 30 years. Ceases at 62 or at eligibility for Social Security, whichever comes first. Effective January 1, 2002, the \$1,200 exclusion will not apply.
5. Additional pension for member who reaches age 65 with 20 or more years and the retirement allowance under (1) and (2) above is less than \$1,200 per year; to produce total retirement allowance of \$1,200 per year.
6. Effective January 1, 1982, for service retirement prior to age 62 with less than 30 years of Service, (3) and (4) above are reduced by 3% for each year below 62. However, effective January 1, 1996, this reduction is not made if employee has at least 30 years of service. Effective January 1, 2002, no reduction if age and service total at least 80.
7. Maximum Benefit: Benefit not to be greater than 100% of average compensation, unless member has already accrued a larger benefit as of April 1978.
8. Minimum Benefit: Effective June 1, 1999, benefit of \$300 per month for retirees with 10 years of service at retirement.
9. Form of Benefit: Modified cash refund annuity - If a member dies after retirement and before receiving the amount of his accumulated contributions in annuity payments, then the lump sum balance of his contributions is paid to beneficiary.
10. Cost-of-Living: Board of Trustees retains excess over average 3 1/2% interest earnings to provide Cost-of-Living increases in benefits to retirees (past or future) not to exceed 3% of original benefit per each year of retirement. Effective January 1, 2001, additional one-time increase of 1 % times member's or beneficiary's current monthly benefit times whole calendar years from date benefit commenced.

Deferred Retirement Option Program (DROP)

Effective January 1, 1994, any member who is eligible for a service retirement under Section 114-201(a) may participate in the DROP program. A member can participate for up to five years. When a member joins the DROP, he stops contributing to and earning benefits in the system. Employer contributions also stop. His retirement benefit begins being paid into his DROP account.

1. Interest is earned on the DROP account at an annual rate set by the Board. Members of the DROP receive cost-of-living increases, as if they would have received such raises as a retiree.
2. Upon termination of employment at the end of the specified period of DROP participation, the DROP account is paid out. After his DROP period ends and upon continued or re-employment, the member may resume contributions and earn a supplemental benefit based on current covered compensation.

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3. If at the end of a members' period of DROP participation he does not terminate employment, payments into DROP shall cease and no further interest shall be earned or credited to the account. Payments shall not be made until employment is terminated

Net Pension Liability

The Airport's Net Pension Liability of \$14,838,531 and \$17,778,160 were measured as of December 31, 2017 and 2016. The Total Pension Liability used to calculate the Net Pension Liability was also determined as of that date.

The following schedule lists the Airport's proportionate share of the Net Pension Liability allocated by the pension plan for based on the December 31, 2017 measurement date. The Airport uses this measurement to record its Net Pension Liability and associated amounts as of December 31, 2017 in accordance with GASB Statement 68. The schedule also includes the proportionate share allocation rate used at December 31, 2017 along with the change compared to December 31, 2016 rate. The Airport's proportion of the Net Pension Liability was based on a projection of the City of New Orleans' long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

	Net Pension Liability at December 31, 2017	Rate at December 31, 2017	Increase (Decrease) to December 31, 2016 Rate
Employees' Retirement System of the City of New Orleans	\$ 14,838,531	6.3179%	(0.6411%)
	Net Pension Liability at December 31, 2016	Rate at December 31, 2016	Increase (Decrease) to December 31, 2015 Rate
Employees' Retirement System of the City of New Orleans	\$ 17,778,160	6.9590%	(0.2241%)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the years ended December 31, 2017 and 2016, the Airport will recognize a Pension Expense of \$2,096,679 and \$2,066,872, respectively, in payroll related expense on the statements of revenues, expenses, and changes in net position.

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On December 31, 2017 and 2016, the Airport reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	December 31, 2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,637,363	\$ 295,123
Net difference between projected and actual earnings on pension plan investments	-	255,143
Changes in proportion and differences between employer contributions and proportionate share of contributions	364,929	1,182,471
Total	<u>\$ 4,002,292</u>	<u>\$ 1,732,737</u>

	December 31, 2016	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,902,915	\$ 406,337
Net difference between projected and actual earnings on pension plan investments	1,675,082	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	374,152	214,390
Total	<u>\$ 5,952,149</u>	<u>\$ 620,727</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in pension expense as follows:

2018	\$ 728,544
2019	575,059
2020	54,581
2021	101,434
2022	494,401
2023	335,905
2024	(20,369)
	<u>\$ 2,269,555</u>

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Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2017 and 2016, using the following actuarial assumptions:

	<u>Employees' Retirement System</u>
Valuation date	December 31, 2017 and 2016
Actuary cost method	Entry age normal
Actuarial assumption:	
Expected remaining service live	8 years
Investment rate of return	7.50%, net of investment expense
Inflation rate	2.50%
Mortality	RP 2000 Group Annuity Mortality Table
Salary increases	5.00%
Cost of living adjustments	The present value of future retirement benefits is based on benefits currently being paid by the pension trust funds and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are development for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by an asset allocation percentage which is based on the nature and mix of current and expected plan investments and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Pension Trust Fund's current and expected asset allocation as of December 31, 2017 are summarized in the following table:

	<u>Employees' Retirement System</u>	
<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term expected portfolio real rate of return</u>
Cash equivalents	2.00%	N/A
Equity securities	58.00%	4.49%
Fixed income	25.00%	0.73%
Real Estate	5.00%	0.23%
Other alternative investments	10.00%	0.62%
Totals	<u>100.00%</u>	<u>6.07%</u>
Inflation		<u>2.50%</u>
Expected arithmetic nominal rate		<u>8.57%</u>

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Discount Rate

The discount rate used to measure the total pension liability was 7.5% for the Employees' Retirement System for 2017. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that the plan's contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on those assumptions, the Employees' Retirement System pension trust funds' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Investment Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2017 and 2016, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expenses, was 8.52% and 8.63%, respectively for the Employees' Retirement System.

Sensitivity of the Net Pension Liability to Change in the Discount Rate

The following presents the net pension liability of the Airport as of December 31, 2017 and 2016, calculated using the discount rate of 7.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate.

		1% Decrease 6.50%		Current Discount Rate 7.50%		1% Increase 8.50%
Net pension liability						
December 31, 2017	\$	19,053,368	\$	14,838,531	\$	11,667,841
December 31, 2016		22,129,342		17,778,160		14,128,279

Payables to the Plan

The Airport recorded accrued liabilities of \$0- and \$143,475 to the Plan for the year ended December 31, 2017 and 2016, respectively, mainly due to the accrual for payroll at the end of each of the fiscal years. The amounts due are included in liabilities under the amounts reported as accounts, salaries and other payables.

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Schedule of Louis Armstrong New Orleans International Airport's Proportionate Share of the Net Pension Liability				
	For the Year Ended December 31			
	2017		2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	6.3179%		6.9590%	6.7349%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 14,838,531	\$	17,778,160	\$ 15,058,503
Employer's Covered Payroll	\$ 7,632,578	\$	8,037,960	\$ 7,118,288
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	194.41%		221.18%	211.55%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.66%		58.06%	60.26%

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(10) Rentals under Operating Leases

The Airport leases space in its terminal to various airlines, concessionaires, and others. These leases are for varying periods ranging from one to ten years and require the payment of minimum annual rentals. On January 1, 2009, an Airline Lease and Use Agreement went into effect with all Signatory airlines paying signatory airlines rates and charges in accordance with the lease agreement.

The Airport parking garage facility (the "Facility") was constructed on land leased by a 501(c) 3 nonprofit corporation (the Corporation) from the Airport pursuant to a parking garage ground lease (the "ground lease") dated January 1, 2001. The commencement date as defined in the ground lease went into effect January 1, 2002, and the ground rental term began. In accordance with the ground lease, the Corporation was required to design, finance, construct, and operate the Facility. The Facility was financed by the Corporation with \$39.4 million of tax-exempt bonds which was refinanced in 2012. The bonds are not an obligation of the Airport. The initial term of the ground lease is ten years with three renewal periods of ten years at the option of the Corporation. During the term of the ground lease, the Corporation will pay the Airport \$10,624 a month plus percentage rent of 6.0% of gross revenues generated from the Facility in excess of \$7.0 million per year plus net cash flow rent, as defined in the ground lease.

The payment of rent is subject to a minimum annual guarantee payment, as defined in the ground lease. The fixed rent shall increase by 3.0% per annum, effective on the first day of each lease year during the term. The 2017 monthly ground rent was \$16,552 and 2016 monthly ground rent was \$16,070.

The following is a schedule by year of aggregate future minimum rentals receivable on noncancelable operating leases as of December 31, 2017:

2018	\$ 31,881,394
2019	32,925,224
2020	31,407,541
2021	30,611,286
2022	30,237,742
	<u>\$ 157,063,187</u>

These amounts do not include contingent rentals which may be received under most of the leases; such contingent rentals, including month-to-month concession agreements, amounted to \$3,914,635 in 2017 and \$4,381,907 in 2016.

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(11) Commitments and Contingencies

(a) *Self-Insurance*

The Airport is insured for hospitalization and unemployment losses and claims under the City of New Orleans' self-insurance program. The Airport pays premiums to the City of New Orleans' unemployment self-insurance program, and the Airport and its employees pay premiums to the City of New Orleans' hospitalization self-insurance program. Amounts paid to the City by the Airport totaled \$1,514,750 and \$1,423,690 for the years ended December 31, 2017 and 2016.

(b) *Commitments*

In the normal course of business, the Airport enters into various commitments and contingent liabilities, such as construction contracts and service agreements, which are not reflected in the accompanying financial statements.

(c) *Claims and Judgments*

There are several pending lawsuits in which the Airport is involved. Based upon review and evaluation of such lawsuits and the advice of legal counsel, management does not believe that the ultimate outcome of such litigation will be material to the Airport's financial position.

(d) *Federal Financial Assistance*

The Airport participates in a number of federal financial assistance programs. Although the grant programs have been audited through December 31, 2017 in accordance with the Single Audit Act of 1996, these programs are still subject to financial and compliance audits by governmental agencies.

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(e) Defeasance and Redemption of Parking Facilities Corporation Bonds

In the event that the Airport sponsors, permits, or participates in the relocation of the main passenger terminal from its current location, the Airport will be required to purchase the long-term parking garage at a purchase price equal to the amount necessary to defease the \$39,535,000 Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Refunding Bonds (Parking Facilities Corporation – Phase I Project) Series 2012 (LCDA Bonds) bonds and to pay or to assume any other outstanding monetary obligation relating to the ownership and operation of the long-term parking garage. The outstanding balance of the LCDA Bonds is \$32,460,541 at December 31, 2017. The timing of the defeasance of the LDCA Bonds depends on whether (i) the New Orleans Aviation Board as lessor of the parking garage exercises an option to purchase the garage from the lessee at any time or (ii) the lessee exercises its option to require the Airport to purchase the garage within 180 days of a written notice from the Airport. As of the date of this report, the New Orleans Aviation Board has not exercised the option to purchase the garage and the lessee has not exercised an option to require the Airport to purchase the garage.

(12) Restatement

Correction of an Error

During the year ended December 31, 2017, the Airport identified an understatement of grant revenues received in 2017 from FAA for the year ended December 31, 2016, which impacted prior year financial statements.

The impact of the restatement is as follows:

Previously reported net position as of December 31, 2016	\$ 439,000,464
Adjustment to capital grant receivable as a result of understatement of capital contributions	<u>1,199,223</u>
Net position as of December 31, 2016, as restated	<u><u>\$ 440,199,687</u></u>
Previously reported change in net position for the year ended December 31, 2016	\$ 44,374,321
Adjustment to capital contributions as a result of understatement of capital contributions from the FAA	<u>1,199,223</u>
Change in net position for the year ended December 31, 2016, as restated	<u><u>\$ 45,573,544</u></u>

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(13) Recent Accounting Pronouncements

GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* ("GASB 75"), replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. GASB 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. GASB 75 will be implemented by the Airport for the year ended December 31, 2018 and the impact has not yet been determined.

(14) Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 29, 2018, and determined that the following item requires disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

On April 5, 2018, the City Council of the City of New Orleans authorized and approved the execution of a consolidated PFC Ground lease in connection with the Phase I PFC Garage on the south side of the airport and a new PFC East Garage on the north side of the airport. In addition, the city council authorized and approved the issuance, sale, and delivery by the New Orleans Aviation Board in its own name as a conduit issuer of not to exceed \$210,000,000 special facility revenue bonds (Series 2018 bonds). In addition, a resolution was approved by the New Orleans Aviation Board on April 26, 2018 authorizing and approving the PFC Series 2018 bonds.

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Required Supplementary Information

Schedule of Proportionate Share of the Net Pension Liability
Last 10 Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employer's proportion of the net pension liability	6.3179%	6.9590%	6.7349%	6.7349%
Employer's proportionate share of the net pension liability	\$ 14,838,531	\$ 17,778,160	\$ 15,058,503	\$ 11,410,715
Employer's covered payroll	\$ 7,632,578	\$ 8,037,960	\$ 7,118,288	\$ 6,549,317
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	194.41%	221.18%	211.55%	174.23%
Plan fiduciary net position as a percentage of the total pension liability	58.06%	58.06%	60.26%	68.64%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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Required Supplementary Information

Schedule of Contributions to Defined Benefit Plan
Last 10 Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,716,570	\$ 1,900,122	\$ 1,511,811	\$ 1,784,790
Contributions in related to the contractually required contributions	<u>(1,761,937)</u>	<u>(1,666,973)</u>	<u>(1,603,282)</u>	<u>(1,533,954)</u>
Contribution deficiency (excess)	<u>\$ (45,367)</u>	<u>\$ 233,149</u>	<u>\$ (91,471)</u>	<u>\$ 250,836</u>
Employers' covered payroll	\$ 7,632,578	\$ 8,037,960	\$ 7,118,288	\$ 6,549,317
Contributions a a percentage of covered payroll	23.08%	20.74%	22.52%	23.42%

* Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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Supplemental Schedule of Investments

Year ended December 31, 2017

Description	Year Acquired	Maturity date	Book value	Fair value
Unrestricted investments:				
Special Receipts:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2007	N/A	\$ 924,311	\$ 924,311
JPM U.S. Treasury Plus Investments The Bank of New York Mellon	2009	N/A	956,899	956,899
			<u>1,881,210</u>	<u>1,881,210</u>
City of New Orleans:				
LAMP - Sales Tax/General Purpose	2003	N/A	39,123,498	39,123,498
LAMP - Use & Lease General Purpose	2011	N/A	9	9
			<u>39,123,507</u>	<u>39,123,507</u>
New Orleans Aviation Board:				
Whitney Custody Account			<u>39,700,808</u>	<u>39,700,808</u>
Total unrestricted investments			<u>80,705,525</u>	<u>80,705,525</u>
Restricted investments:				
City of New Orleans:				
LAMP - Rollover Coverage	2009	N/A	<u>3,740,582</u>	<u>3,740,582</u>
CIF-Parking Facility Loan:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2010	N/A	<u>1,106,102</u>	<u>1,106,102</u>
Debt Service Fund:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2008	N/A	<u>19,776,496</u>	<u>19,776,496</u>
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	-	-
			<u>19,776,496</u>	<u>19,776,496</u>
Debt Service Reserve Fund:				
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2009	N/A	5,128,977	5,128,977
JPM U.S. Treasury Plus Investments The Bank of New York Mellon	2009	N/A	93,828,175	93,828,175
			<u>98,957,152</u>	<u>98,957,152</u>
Capitalized Interest:				
JPM U.S. Treasury Plus Investments The Bank of New York Mellon	2015	N/A	70,199,155	70,199,155
Dreyfus Treasury Prime Cash Management The Bank of New York Mellon	2015	N/A	76,467	76,467
			<u>70,275,622</u>	<u>70,275,622</u>

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Supplemental Schedule of Investments
Year ended December 31, 2017

<u>Description</u>	<u>Year Acquired</u>	<u>Maturity date</u>	<u>Book value</u>	<u>Fair value</u>
Ineligible Sub-Account:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	<u>676,448</u>	<u>676,448</u>
Operations and Maintenance:				
Reserve fund:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	<u>8,189,225</u>	<u>8,189,225</u>
Receipts Fund:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2007	N/A	<u>1,115,896</u>	<u>1,115,896</u>
CFC Restricted:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2010	N/A	<u>13,027,729</u>	<u>13,027,729</u>
Time Reimbursement:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	<u>1,152,036</u>	<u>1,152,036</u>
Project Account:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	<u>32,758,460</u>	<u>32,758,460</u>
PFC Restricted:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2009	N/A	<u>69,392,054</u>	<u>69,392,054</u>
GARB Restricted:				
JPM U.S. Treasury Plus				
Investments				
The Bank of New York Mellon	2015	N/A	243,310,747	243,310,747
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2015	N/A	<u>79,296,104</u>	<u>79,296,104</u>
			<u>322,606,851</u>	<u>322,606,851</u>
Vendor Payment:				
Dreyfus Treasury Prime				
Cash Management				
The Bank of New York Mellon	2015	N/A	<u>2,744</u>	<u>2,744</u>
Total restricted investments			<u>642,777,397</u>	<u>642,777,397</u>
Total all investments			<u>\$ 723,482,922</u>	<u>\$ 723,482,922</u>

See accompanying independent auditors' report

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Supplemental Schedule of Operating Revenues and Expenses by Area of Activity

Year ended December 31, 2017

	<u>Airfield</u>	<u>Terminal buildings</u>	<u>Ground transportation</u>	<u>Total</u>
Operating revenues	\$ 12,659,542	\$ 61,744,206	\$ 4,081,820	\$ 78,485,568
Direct expenses	<u>3,637,353</u>	<u>14,514,107</u>	<u>1,172,774</u>	<u>19,324,234</u>
Operating revenues, less direct expenses	9,022,189	47,230,099	2,909,046	59,161,334
Depreciation of cost center assets	<u>19,649,572</u>	<u>11,720,848</u>	<u>260,548</u>	<u>31,630,968</u>
Operating revenues, less direct expenses and depreciation	<u>\$ (10,627,383)</u>	<u>\$ 35,509,251</u>	<u>\$ 2,648,498</u>	<u>27,530,366</u>
Other operating expenses:				
Depreciation of non-cost center assets				2,349,597
Administrative less transfers to work in progress				<u>26,855,812</u>
Total other operating expenses				<u>29,205,409</u>
Operating loss				<u>\$ (1,675,043)</u>

See accompanying independent auditors' report.

Schedule 3

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
 (A Proprietary Component Unit of the City of New Orleans)

Supplemental Schedule of Historical Debt Service Coverage Ratio as Required under
 the General Revenue Bond Trust Indenture Dated February 1, 2009

Year ended December 31, 2017

(Unaudited)

Revenues:	
Airline rentals and landing fees	\$ 36,671,720
Other operating revenues	41,813,848
Nonoperating revenues	3,961,916
Transferred PFCs	656,065
Rollover coverage	<u>3,740,582</u>
Total revenues	86,844,131
Less reserve requirements:	
Operation and maintenance expenses	<u>46,180,046</u>
Net revenues	\$ <u><u>40,664,085</u></u>
Debt service fund requirement:	
Principal payments	\$ 10,690,000
Interest expense	<u>2,480,475</u>
Total debt service fund requirement	\$ <u><u>13,170,475</u></u>
Historical debt service coverage ratio	<u><u>3.09</u></u>

See accompanying independent auditors' report.

(1) Basis of Accounting

The accompanying supplemental schedule has been prepared in accordance with the General Revenue Bond Trust Indenture dated February 1, 2009. The supplemental schedule excludes certain revenues and expenses as defined in the trust indenture.

(2) Rollover Coverage

On November 6, 2009, the Board approved the Rollover Coverage for fiscal years 2010-2017 in the amounts of \$3,719,527, \$3,720,107, \$3,719,960, \$3,720,332, \$3,719,082, \$3,721,446, \$3,729,060, and \$3,740,582, respectively. The funds are transferred monthly, in ratable portions of the total, to the NOAB Rollover Coverage Account held by the City of New Orleans, and then transferred to the airport operating account, held by the City of New Orleans.

LOUIS ARMSTRONG NEW ORLEANS INTERNATIONAL AIRPORT
(A Proprietary Component Unit of the City of New Orleans)

Schedule of Compensation, Benefits, and Other Payments to the Director of Aviation

Year ended December 31, 2017

Director of Aviation

Mark Reis Januray 2017 - June 2017
Kevin Dolliole July 2017 - December 2017

Purpose	Amount	
	Mark Reis	Kevin Dolliole
Salary	\$ 169,302	\$ 145,100
Benefits-insurance contribution	37	40
Benefits-retirement contribution	34,984	31,488
Benefits-Medicare, Social Security, Workman's Compensation	14,015	15,520
Travel*	2,342	5,267
Conference registration fees*	795	795
Reimbursements*	1,391	15,629

* All Director of Aviation travel, including per diem, lodging, and registration fees associated therewith, are approved at New Orleans Aviation Board public meetings. All reimbursements were for parking charges to attend off-airport meetings. The Director of Aviation charges to the Airport credit card are approved at New Orleans Aviation Board public meetings and the expense report is publically posted on the Airport website at <http://flymsy.com/transparentMSY> with detail for each expense.

See accompanying independent auditors' report.

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APPENDIX H

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “*Disclosure Certificate*”) is executed and delivered by the New Orleans Aviation Board (“*Aviation Board*”) as of the 1st day of October, 2018, in connection with the issuance of \$82,565,000 New Orleans Aviation Board Gulf Opportunity Zone CFC Revenue Refunding Bonds (Consolidated Rental Car Facility) Series 2018 (Non-AMT) (“*Bonds*”). The Bonds are being issued pursuant to a Restated CFC Master Indenture dated as of October 1, 2018 (“*Indenture*”), by and among the Aviation Board, the City of New Orleans (“*City*”), and The Bank of New York Mellon Trust Company, N.A., as trustee (“*Trustee*”). The Bonds are limited special obligations of the Aviation Board payable solely from and secured by, an assignment and a pledge by the Aviation Board to the Trustee of CFCs and certain funds held by the Trustee pursuant to the Indenture. The Aviation Board covenants and agrees as follows:

SECTION 1. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the Aviation Board pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“*Audited Financial Statements*” means the Aviation Board’s annual financial statements, prepared in accordance with GAAP, which financial statements shall have been audited.

“*Dissemination Agent*” shall mean the Aviation Board, or Dissemination Agent designated by the Aviation Board.

“*EMMA*” shall mean the internet-based portal referred to as the Electronic Municipal Market Access system operated and maintained by the Municipal Securities Rulemaking Board. The online address of EMMA is www.emma.msrb.org.

“*Material Event*” shall mean:

- (a) Principal and interest payment delinquencies;
- (b) Non-payment related defaults, if material;
- (c) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) Substitution of credit or liquidity providers, or their failure to perform;
- (f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
- (g) Modifications to rights of security holders, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Defeasances;
- (j) Release, substitution, or sale of property securing repayment of the securities, if material;
- (k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the obligated person¹;

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; or

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

“*Participating Underwriter*” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

“*Rule*” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*State Depository*” shall mean any public or private repository or entity designated by the State of Louisiana as a state depository for the purpose of the Rule. As of the date of this Disclosure Certificate, there is no State Depository.

SECTION 2. Purpose. This Disclosure Certificate is being executed and delivered and constitutes the written undertaking by the Aviation Board for the benefit of the owners, including beneficial owners, or holder of the Bonds (“*Bondholders*”), required by Section (b)(5) of Securities and Exchange Commission Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended (17 CFR Part 240, § 240.15c2-12), and is further executed and delivered in order to assist the Participating Underwriter in complying with SEC Rule 15c2-12(b)(5).

SECTION 3. Provision of Annual Reports.

(a) The Aviation Board shall, not later than two hundred ten (210) days after the end of the Aviation Board’s fiscal year (“*Report Date*”) provide to the EMMA, an Annual Report which is consistent with the requirements set forth below. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross reference other information as set forth below; provided that the audited financial statements of the Aviation Board may be submitted separately from the balance of the Annual Report.

(b) The Aviation Board may adjust the Report Date if the Aviation Board changes its fiscal year by providing written notice of the change of fiscal year and the new Report Date to the Trustee and to EMMA; provided that the new Report Date shall be two hundred ten (210) days after the end of the new fiscal year and provided further that the period between the final Report Date relating to the former fiscal year and the initial Report Date relating to the new fiscal year shall not exceed one year in duration.

(c) If the Aviation Board is unable to provide to EMMA an Annual Report by the date required in (a) above, the Aviation Board shall send a notice to EMMA and the Municipal Securities Rulemaking Board in substantially the form attached as Exhibit A attached hereto.

(d) If the Aviation Board is unable to provide the Audited Financial Statements to EMMA by the date required in (a) above, the Aviation Board shall provide to EMMA unaudited financial statements, and, as required by the Rule, Audited Financial Statements, when and if available, must thereafter be provided to EMMA.

SECTION 4. Content of Annual Reports.

(a) The Aviation Board’s Annual Report shall contain or incorporate by reference information described in **Schedule I** attached hereto, as well as the following:

¹ For the purposes of this event, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Aviation Board in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Aviation Board, or if such jurisdiction has been assumed by leaving the existing government body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan or reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction or substantially all of the assets or business of the Aviation Board.

- (i) the Audited Financial Statements,
- (ii) the accounting principles pursuant to which the Audited Financial Statements were prepared, and
- (iii) that the above-described information has been provided directly to the Aviation Board.

(b) The Aviation Board reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the Aviation Board; provided that the Aviation Board agrees that any such modification will be done in a manner consistent with the Rule as provided in Section 7 hereof.

(c) Any or all of the items listed above may be incorporated by reference from other documents, including Official Statements of debt issues of the Aviation Board or related public entities, which have been submitted to EMMA the Municipal Securities Rulemaking Board or the Securities and Exchange Commission. If the document incorporated by reference is a deemed final Official Statement, it must be available from the Municipal Securities Rulemaking Board. The Aviation Board shall clearly identify each such other document so incorporated by reference.

SECTION 5. Reporting of Material Events.

(a) Whenever the Aviation Board obtains knowledge of the occurrence of a Material Event, the Aviation Board shall file notice of such Material Event with EMMA as soon as possible but in no event later than ten business days after the occurrence of such Material Event.

(b) The Aviation Board may from time to time choose to provide notice of the occurrence of certain other events, in addition to Material Events, if, in the judgment of the Aviation Board, such other event is material with respect to the Bonds, but the Aviation Board does not undertake to comment to provide any such notice of the occurrence of any event other than a Material Event.

SECTION 6. Termination of Reporting Obligation. The obligations of the Aviation Board under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. In addition, any provision hereof and any provision relating to the Rule as set forth above shall be null and void in the event that the Aviation Board delivers to the Trustee an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate, or any such provision, are invalid, have been repealed retroactively or otherwise do not apply to the Bonds; provided that the Aviation Board shall have provided notice of such delivery and the cancellation of this Disclosure Certificate and that portion of the Indenture relating to the Rule to EMMA and the State Depository, if any.

SECTION 7. Amendment; Waiver.

(a) Notwithstanding any other provision of this Disclosure Certificate, the Aviation Board may amend this Disclosure Certificate, and any provision hereof may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate, or adversely affect compliance with, the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

(b) Provided, however, that the following conditions must be satisfied prior to such amendment:

(i) The amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Aviation Board, or type of business conducted;

(ii) The undertaking hereunder, as amended, would have complied with the requirements of the Rule at the time of the preliminary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(iii) The amendment does not materially impair the interests of the holders of the Bonds, as determined either by parties unaffiliated with the Aviation Board (such as the financial advisor or bond counsel), or by approving vote of such holders in accordance with the terms of the Indenture at the time of the amendment.

(c) Further, the Annual report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

(d) Further, provided, if an amendment is made to an undertaking hereunder specifying the accounting principles to be followed in preparing the Audited Financial Statements, the Annual report for the year in which the change is made should present a comparison between the Audited Financial Statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

(e) The comparison should include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the Audited Financial Statements, in order to provide information to investors to enable them to reevaluate the ability of the Aviation Board to meet its obligations. To the extent reasonably feasible, the comparison should also be quantitative. A notice of the change in the accounting principles should be sent to EMMA or the Municipal Securities Rulemaking Board.

SECTION 8. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Aviation Board from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Aviation Board chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Aviation Board shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 9. Default. In the event of a failure of the Aviation Board to comply with any provision of this Disclosure Certificate, any Participating Underwriter or Bondholder may take such actions as may be necessary and appropriate, to cause the Aviation Board to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Aviation Board to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 10. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Aviation Board, the Participating Underwriter and the owners (including any owner of a beneficial interest in the Bonds) from time to time of the Bonds, and shall create no rights in any other person or entity.

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IN FAITH WHEREOF, the undersigned has executed this Continuing Disclosure Certificate as of the date first above written.

NEW ORLEANS AVIATION BOARD

By: _____
Cheryl Teamer, Chairwoman

**EXHIBIT A
FORM OF NOTICE**

**NOTICE TO EMMA AND MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

**\$82,565,000
New Orleans Aviation Board
Gulf Opportunity Zone CFC Revenue Refunding Bonds
(Consolidated Rental Car Project)
Series 2018 (Non-AMT)**

NOTICE IS HEREBY GIVEN that ("*Aviation Board*"), has not provided an Annual Report as required by the Continuing Disclosure Certificate dated October 1, 2018 executed by the Aviation Board in connection with the issuance of the above-captioned bonds. The Aviation Board anticipates that its Annual Report will be filed by _____.

Date: _____

NEW ORLEANS AVIATION BOARD

By: _____
Cheryl Teamer, Chairwoman

**SCHEDULE I
ANNUAL REPORT**

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APPENDIX I

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be delivered for each maturity of the Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating on DTC of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interest in the Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by the Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Redemption notices shall be sent to DTC. If less than all the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Paying Agent, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, nor its nominee, the Paying Agent or the Aviation Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC is the responsibility of the Paying Agent; disbursement of such payments to Direct Participants shall be the responsibility of DTC; and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Paying Agent. Under such circumstances, in the event that a successor depository is not named, Bonds are required to be printed and delivered.

The Aviation Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry only system has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by the Paying Agent or the Aviation Board.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement, it should be understood that while the Bonds are in the book-entry only system, references in other sections of this Official Statement to Registered Owners should be read to include the person for which the Direct Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry only system, and (ii) except as described above, notices that are to be given to Registered Owners under the Indenture will be given only to DTC.

THE AVIATION BOARD, THE TRUSTEE AND THE UNDERWRITERS CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE BONDS (I) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE BONDS, (II) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN BONDS, OR (III) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE BONDS AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE AVIATION BOARD, THE TRUSTEE NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DIRECT PARTICIPANTS OR INDIRECT PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT; (3) THE PAYMENT BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE BONDS; (4) THE DELIVERY BY ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

Provisions Applicable if Book Entry Only System is Terminated

In the event the Bonds are removed from the Book-Entry Only System, the principal of and the interest on the Bonds shall be payable to the person in whose names the Bonds are registered on the Bond Register on the applicable Record Date. Payments of interest on the Bonds shall be made to the Registered Owners of the Bonds (as determined at the close of business on the Record Date next preceding the applicable Interest Payment Date) by check drawn upon the Trustee and mailed by first class as they appear on the Bond Registrar or to such other address as may be furnished in writing by any Registered Owner to the Trustee prior to the applicable Record Date. The principal amount of any Bond and premium, if any, together with interest payable on any bond payment date (other than interest payable on a regularly scheduled Interest Payment Date) will be made by check only upon presentation and surrender of the Bond on or after its maturity date or the date fixed for purchase, redemption or other payment at the office of the Trustee designated by the Trustee for that purpose. Notwithstanding the foregoing, payment of principal of, premium, if any, and interest on any Bond shall be made by wire transfer to any account within the United States of America designated by a Bondholder owning \$1,000,000 or more in aggregate principal amount of Bonds (if requested in writing of the Trustee by such Bondholder not less than five (5) days prior to the applicable Interest Payment Date and if such Bondholder otherwise complies with the reasonable requirements of the Trustee). A request for wire transfer may specify that it is effective unless and until rescinded in writing by the Bondholder at least five (5) days prior to the Record Date for the first bond payment date to which such rescission is designated to apply. If interest on the Bonds is in default, the Trustee shall, prior to payment of interest, establish a special record date ("Special Record Date") for such payment, which Special Record Date shall be not more than fifteen (15) nor less than ten (10) days prior to the date of the proposed payment. Payment of such defaulted interest shall then be made by check or wire transfer, as described above, mailed or remitted to the person in whose names the Bonds are registered on the Special Record Date at the addresses or accounts of such persons shown on the Bond Register.

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APPENDIX J

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS: \$ in aggregate principal amount of

Policy No: -N

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

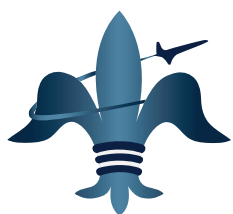
By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Form 500NY (5/90)

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International Airport**



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