

**LOUISVILLE REGIONAL AIRPORT AUTHORITY
BOARD MEETING
MAY 17, 2017**

The regular meeting of the Board of the Louisville Regional Airport Authority was held on May 17, 2017. Chairman Jim Welch convened the meeting 3:16 p.m. in the Boardroom of the Louisville Regional Airport Authority, Louisville, Kentucky.

Those in attendance were: Mr. Dale Boden, Mr. William Byrley, Ms. Mary Rose Evans, Ms. Nikki Jackson, Mr. Earl Jones, Mr. Jon Meyer, Ms. Cissy Musselman, Ms. Lesa Seibert, Mr. Steve Trager and Mr. Jim Welch. Not in attendance: Mayor Greg Fischer. Mr. Tom Halbleib attended as counsel to the Board.

Staff Members in attendance were: Ms. Brenda Allen, Ms. Pat Apone, Mr. Josh Ball, Ms. Natalie Chaudoin, Ms. Dodie Caulk, Mr. Dwight Clayton, Mr. Mike Ford, Mr. Vince Glasnovic, Ms. Noel Jolly, Mr. Skip Miller, Mr. Steve Petty, Ms. Karen Scott, Mr. Brian Sinnwell, Ms. Stephanie Smith, Mr. Tom Tyra, and Mr. Darrell Watson.

Also in attendance: Mr. Bobby Campbell, Mr. Brandon Coan, Mr. Pat Dominik, Ms. Linda Frankl, Mr. Doug Kuelpman, Mr. Brig Newman, Mr. Clair Nichols, Mr. Christopher Schissler, and Ms. Julie Taylor.

CONSIDERATION OF MINUTES

The minutes of the regular board meeting held April 19, 2017 were reviewed and, upon motion duly made and seconded, unanimously approved.

MARKETING REPORT

Mr. Tom Tyra presented the Marketing Report. The Air Service Report for the month ending May 31, 2017 shows 74 daily flights, which is an increase of two flights and an increase of 183 daily seats from last month and an increase of three flights and 315 daily seats from the same period last year.

Mr. Tyra announced that Allegiant Air begins twice a week service on May 19, 2017 to Destin, FL, Orlando/Sanford, FL, Fort Myers/Punta Gorda, FL, Tampa/St. Petersburg, FL and Savannah, GA. Delta Air Lines will add a fourth daily flight to Minneapolis on June 12, 2017 operated by Compass Airlines using 76-seat E75 aircraft. United Airlines will add a sixth daily flight to Chicago, IL beginning September 6, 2017 operated by Republic Airlines using 76-seat aircraft.

FINANCIAL REPORT

Ms. Pat Apone presented the financial report for the month ending April 30, 2017. Landed weights related to passenger and cargo activities for the month of April, the fiscal year-to-date and the calendar year-to-date all remain strong.

Operating revenues for the month of April and fiscal year-to-date are exceeding their budgeted levels. The operating revenues for the month are \$5,637,726 which is 5.2% above budget, and operating revenues for the first ten months of FY 17 are \$57,618,905 which is 8.7% above the budgeted amount. Revenues derived from landing fees, FBO rents, parking and car rental concessions, and terminal concessions continue to exceed year-to-date budget expectations.

Operating expenses for April 2017 were \$2,395,327 which is 2.3% above budget and year-to-date operating expenses are \$23,779,648 which is 9.2% below budget. Expenses related to snow removal, payroll, contract and professional services, and consulting services continue to fall below their forecasted levels.

CONSTRUCTION REPORT

Mr. Brian Sinnwell presented the construction report.

At Louisville International Airport, for the Terminal Enhancement Project the Terminal Art Working Group will meet to review concepts for the rotunda art piece. For the Crittenden Drive – Woodlawn Overpass Project, the final phase of the Crittenden Drive relocation project to replace the existing Woodlawn Overpass Bridge in its current configuration and alignment, foundation piers and caps have been poured for the vertical columns on the north bridge span. The northeast crash wall has been poured and the contractor is currently working on the MSE wall on the northeast side of the bridge. Asphalt patching on Allmond Avenue began on May 8, 2017 and will be followed by roadway milling and curb to curb asphalt paving. For the Airfield Pavement Rehabilitation Project, to remove and replace concrete slabs on Runway 17L-35R and on the north end of Taxiway "B" and remove and repair selected asphalt shoulders, work is approximately 5% complete. For the Terminal Apron Reconstruction and Expansion Project, work on the terminal apron adjacent to the terminal area air cargo ramp has begun with the contractor excavating, placing stone and installing drainage. Pavement demolition is complete west of the U.S. Customs building. For the Airfield Electrical Upgrade Project to replace airfield cabling and isolation transformers for airfield in-pavement and edge lights at Louisville International Airport, work is underway and the project is approximately 5% complete. For the Perimeter Road Rehabilitation and Perimeter Security Fence Project, to rehabilitate a section of Perimeter Road from the "W" Gate to KYANG with asphalt and concrete, and to upgrade a section of security fence from wood to metal fencing, work began on May 15, 2017.

At Bowman Field, Hanson Professional Services, Inc. continues work on the acquisition of avigation easements for the purpose of obstruction removal as part of the Airport Area Safety Program. Work includes additional survey verification, title search, easement appraisals, development of avigation easement documents, offers and consultation with property owners regarding the mitigation and replacement of trees. As of March 31, 2017, Bob Ray, Inc. completed tree trimming and tree removals on residential properties where new avigation easements were acquired and property access was granted. Tree trimming and removal work is complete on the Big Spring Country Club property. While a number of trees were trimmed or removed, additional tree work on the Seneca Golf Course is suspended until Fall 2017. Final property restoration, stump grinding and clean-up work continues on all accessible properties. Overall, this work is 80% complete. Bowling Nursery was issued a Notice to Proceed for tree

planting, landscaping, and restoration work for the Phase 2 Restoration and Obstruction Mitigation Project. This work is 55% complete.

Mr. Sinnwell reported on the Relocation Program. Under the environmental sampling and asbestos clearing and demolition contracts, one structure was assigned for abatement during this period, and the demolition contract for three structures was awarded and work has begun.

For the Sound Insulation Program, acoustical testing was conducted on 24 University of Louisville Belknap campus buildings. Two buildings have an overall interior noise level above 45dB and are eligible for treatment of the entire structure. There are six additional buildings that have rooms which exceed the 45 dB criteria on an individual basis but do not qualify for full treatment of the entire structure. Phase II of the project which includes the Environmental Assessment (EA) and design work for noise mitigation measures is underway.

BOARD CONSENT ITEMS

1. Appointment of Safety and Security Officer — Approval

At its January 14, 1998 meeting, the Board established a Department of Safety and Security (now known as Department of Public Safety) and assigned responsibility for the Department to the Authority's Director of Safety and Security (now known as Director of Public Safety). The Director of Public Safety has reviewed the qualifications of Austin Price and he has concluded that Mr. Price satisfies the qualifications set forth in the Board's January 14, 1998 (as amended November 18, 1998) resolution and recommends his appointment as Airport Safety and Security Officer.

Therefore, Mr. Miller recommended the Board appoint Austin Price as Airport Safety and Security Officer, to serve at the pleasure of the Board until such time as the Director of Public Safety shall terminate the appointment; and authorize and direct the Authority's Director of Public Safety to administer the Oath of Office. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

2. Signature Resolutions — Approval

Certain individuals within the Authority are designated to transact business on behalf of the Authority. The Authority recently hired Karen Scott as the Interim Executive Director to perform the day to day duties of this position. This makes it necessary to update the following Resolutions:

General Fund Account	Republic Bank
PFC Account	Republic Bank
Parking Account	Republic Bank
Land Fund Account	Republic Bank

These resolutions establish certain individuals as authorized to sign checks and transact business on behalf of the LRAA.

Mr. Miller recommended the Board approve the Resolutions (copy attached). On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

3. On-Call Airfield Paint Markings Removal and/or Replacement — Louisville International — Approval

The project consists of routine maintenance providing on-call airfield paint markings removal and/or replacement for Louisville International Airport. The process requires equipment and expertise in water-blasting the paint markings from concrete and asphalt surfaces and immediately beginning the process of painting the new markings. This process helps minimize the time necessary to close a runway or taxiway.

The Authority recently advertised for the services for a one-year period with two one-year options. The Invitation to Submit Bids was advertised in *The Courier-Journal* and *Louisville Defender*, was posted on the Authority's website and was sent to the Tri-State Minority Supplier Development Council. Invitations were mailed to 14 companies. Five bids were received. Staff recommends an initial one-year contract award to the lowest bidder, Axtell Pavement Solutions, LLC of Scott Township, PA with two one-year renewal options based on a weighted combined square foot cost of \$1.70 to remove existing, old paint and to apply new paint. Funds are included in the FY 2017 and FY 2018 budgets to cover this expense.

Mr. Miller recommended the Board approve a one-year contract award for on-call airfield paint markings removal to Axtell Pavement Solutions, LLC of Scott Township, PA with two one-year renewal options with a one year not-to-exceed authorization of \$150,000; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

4. Jani-King — Janitorial Services Contract Amendment No. 2 — Bowman Field — Approval

In July 2013 the Authority entered into a three year contract with two one-year optional extensions with Jani-King of Louisville for janitorial services for Bowman Field. The initial three-year term expired June 30, 2016. At that time the Authority exercised its first one-year extension with an expiration date of June 30, 2017. Staff is satisfied with the service provided by Jani-King and is seeking approval to enter into the last one-year extension. Jani-King has maintained the same cost over the previous four years and is willing to do so for year five. Cost for year five is \$24,004.

Mr. Miller recommended the Board award Amendment No. 2 to Jani-King of Louisville extending the term of the contract to five years and a not-to-exceed amount of \$129,428.24; and

authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

BOARD ACTION ITEMS

5. Assignment, Assumption and Airport Consent of U.S. Enterprises, Inc. d/b/a Corey Airport Services, Inc.'s In-Terminal Display Advertising Concession Agreement to Lamar Alliance Airport Advertising Company — Louisville International —Approval

The Authority entered into an In-Terminal Display Advertising Concession Agreement dated January 24, 2017 (the "Agreement") with U.S. Enterprises, Inc. d/b/a Corey Airport Services, Inc. ("Corey") to operate and finance the In-Terminal Display Advertising Concession at Louisville International Airport for a term of seven (7) years. Corey recently completed the installation of their new displays and exceeded the minimum required capital investment of \$513,683.00, which includes the four large-format digital video walls. Corey has formally notified staff that they have entered into an Asset Purchase Agreement with Lamar Alliance Airport Advertising Company ("Lamar") to sell its airport advertising concessions and, therefore, pursuant to the Agreement, has requested that the Authority consent to the assignment of the Agreement.

Staff has reviewed Lamar's financial standing and operating methods at other airports in which Lamar operates, including having discussions with the airport operators. Staff found the review of Lamar to be favorable. Mr. Miller recommended that the Board approve the Consent to Assign the Agreement from U.S. Enterprises, Inc. d/b/a Corey Airport Services, Inc. to Lamar Alliance Airport Advertising Company as described above; and authorize the Executive Director to execute the necessary contract or other documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

6. Credit and Debit Card Merchant Processing Agreement — Louisville International and Bowman Field —Award

The Authority currently utilizes Elavon, Inc., a subsidiary of U.S. Bancorp, as the lead processor in handling credit and debit card transactions. Transactions are sent through the card issuer network for approval. Payment is then routed electronically through US Bank and then passed to the Authority's bank of record, Republic Bank and Trust. The Authority is charged a fee based on type of card processed for each transaction (Visa, MasterCard, Discover, and American Express). The Authority uses this service in two operations – our parking facilities and our Finance Department which processes tenant payments. The Authority processed over 374,000 transactions last year representing a dollar value of \$17 million. This contract ends June 5, 2017. Request for Proposals for this service was advertised in *The Courier-Journal* and the *Louisville Defender* was posted on the Authority's website, and was sent to the Tri-State Minority Supplier Development Council. The Authority is seeking a three-year agreement with two one-year extensions for these services. Two proposals were received. Based on review of

001468

the proposals submitted, staff recommends that Elavon be selected as the best overall, most cost-effective provider of these services to the Authority.

Mr. Miller recommended the Board award the Credit and Debit Card Merchant Processing Agreement to Elavon, Inc. of Knoxville, TN for an initial period of three years with two one-year optional extensions; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

7. On –Call Oracle Software Consulting Services — Louisville International and Bowman Field —Contract Award

The Airport Authority installed its Business Enterprise System software system from Oracle in June 2010. This software is used in our Finance, Properties, Human Resources, Purchasing and Maintenance Departments. At that time the Authority replaced an 18-year-old software system that had become outdated, inefficient, time consuming and costly to operate, and difficult to maintain. In order to keep the investment made by the Authority for our Oracle system current and efficient, staff is seeking the services of a consulting firm to assist in various assigned tasks. These tasks will provide direction and a clear strategic plan for the Authority to begin the budgeting process for an up-grade to the software and provide recommendations to enhance the efficiency of the system for the end users. A Request for Qualifications to acquire these services was advertised in *The Courier-Journal* and the *Louisville Defender*, was posted to the Authority's website and was sent to the Tri-State Minority Supplier Development Council. The Authority received five Statements of Qualifications. A working group comprised of Authority staff representatives reviewed the Statements of Qualifications and has determined Applications Software Technology, LLC of Naperville, IL (AST) to be the most qualified firm. Staff recommends a three-year contract with two one-year optional extensions.

Mr. Miller recommended that the Board approve the contract award for on-call consulting services to Applications Software Technology, LLC of Naperville, IL for three years with the option for two additional extensions; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by Counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

8. Applications Software Technology, LLC — Oracle Software Consulting Services Task Order No. 1 — Louisville International and Bowman Field —Award

Staff requests approval of Task Order Number 1 with its selected consulting firm, Applications Software Technology, LLC, to proceed with the work of providing the Authority an initial assessment of our installed Oracle Business Enterprise System software system. The assessment will include interviews with current end-users, identifying gaps in current functionality and recommending ways to improve optimization of the current system, define business process changes or training opportunities needed to address or improve productivity through the optimization of the current system, recommendations for new features, enhancements to reporting capabilities and providing detailed reports of risk management and cost-benefit

analysis of potential up-grades for budgeting purposes. The FY 2017 budget includes funds for this expense.

Mr. Miller recommended that the Board approve Task Order No. 1 to the contract with Applications Software Technology, LLC of Naperville, IL in the not-to-exceed amount \$180,000 bringing their initial contract amount to \$180,000; and authorize the Executive Director to execute the necessary contract documents subject to review and approval by Counsel as to legality of form and content. On motion duly made and seconded, the Board approved Mr. Miller's recommendation.

EXECUTIVE DIRECTOR'S REPORT

Mr. Miller reported on Derby activities at Louisville International Airport and Bowman Field. At Louisville International 3,600-plus fresh roses decorated the terminal, 24 Derby greeters distributed 13,000 Woodford Reserve Bourbon Balls to welcome travelers who were entertained by 118 musicians and assisted by 42 volunteer Ambassadors. There were more than 11,400 departing seats scheduled on departure Sunday, and Ambassadors offered complimentary bubble wrap to travelers. This Derby was the 3rd busiest in the last 10 years for Atlantic Aviation, who handled 588 aircraft from Thursday through Sunday, with 270 aircraft on the ground at post time. At Bowman Field, the Air Traffic Control Tower reported 780 aircraft operations from Thursday through Sunday, with 110 aircraft reported on the ground at post time. Bowman Field again played host to the Kentucky Derby Festival Great Balloon Rush Hour Race.

Mr. Miller informed the Board that the Authority will hold an event on Wednesday, May 24 from 3:00 to 4:00 p.m. to celebrate the launch of Allegiant service. Event details will be sent to all Board members.

INTERIM EXECUTIVE DIRECTOR'S REPORT

Ms. Karen Scott reported on her first two and a half weeks as Interim Executive Director. Ms. Scott informed the Board how special it is to be at the Authority during Derby and highlighted the behind the scenes work that staff performs at both airport facilities in support of Derby.

Ms. Scott advised the Board her first 13 days have been filled with getting up to speed on airport initiatives. She has visited each of the Authority's facilities to reconnect with staff and meet new staff. She has visited each department, including two early morning roll calls at the fire house to meet with all three public safety platoons.

Ms. Scott informed the Board that later in the month she, the deputy directors, and department directors will engage in a day long leadership strategy session to prepare for the coming fiscal year and to begin preparations for the organization to receive a new Executive Director. They will tap into data that will offer insight into the aviation industry as a whole, while evaluating Louisville's connection to the National Airspace System in order to develop strategic and tactical goals for the coming fiscal year with the added value of assisting Authority leaders to engage with their staff to meet those objectives for the coming year.

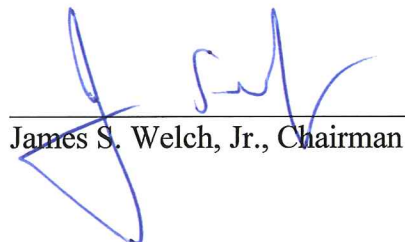
001470

Ms. Mary Rose Evans provided an update on the Executive Director search. She reminded the Board that the search panel is comprised of herself, Dale Boden, Nikki Jackson, Lesa Seibert and Tom Foote from UPS. The panel met this morning with Jim Welch, and Linda Frankl and Doug Kuelpman of ADK Consulting. Ms. Evans introduced Linda Frankl, who provided the Board with feedback she received in the interviews she held with various community stakeholders about what attributes they would like to see in the Authority's next Executive Director. Ms. Frankl advised the Board ADK will be recruiting candidates through mid-June and then will go through a detailed screening process working closely with the selection panel with final interviews to be held the latter part of August.

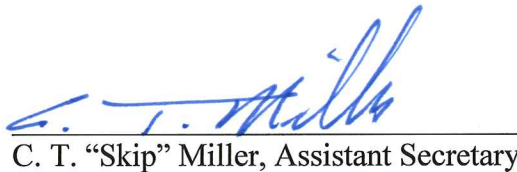
Ms. Evans informed the Board after ADK completes their process, the search panel will discuss the final interviews and will present a final recommendation to the Board at the September 13 Board meeting, for a target start date on November 1.

Mr. Welch advised the Board that he, the panel and ADK took a fresh look at compensation, based on market research of other airports our size. The Board has elected to advertise the position with a salary of \$240,000 - \$295,000, which is higher than the salary for the current executive director.

There being no further business, the meeting adjourned at 4:15 p.m.



James S. Welch, Jr., Chairman



C. T. "Skip" Miller, Assistant Secretary

GENERAL FUND ACCOUNT

Meeting of the Louisville Regional Airport Authority May 17, 2017

Upon motion duly made, seconded and passed, the following Resolution was unanimously adopted by the Board of the Louisville Regional Airport Authority at a meeting duly held May 17, 2017 at which at least a quorum was present.

RESOLUTION

"RESOLVED THAT REPUBLIC BANK, Louisville, Kentucky, be and it is designated as a depository of the funds of this Corporation with respect to the General Fund Account.

THAT all prior Resolutions granting authority to withdraw funds of the Authority with respect to the General Fund Account with such depository are rescinded.

THAT any deposit of this Corporation to the Louisville Regional Airport Authority Account with Republic may be drawn by check in the name of the Corporation signed by any one of the following for checks less than One Thousand Dollars (\$1,000.00) and by any two of the following for checks of One Thousand Dollars (\$1,000.00) or more:

<u>NAME</u>	<u>TITLE</u>
C. T. "Skip" Miller, AAE	Executive Director
Karen Scott, PE, AAE	Interim Executive Director
Steven C. Petty, AAE	Deputy Executive Director / COO
Patricia L. Apone, AAE	Deputy Executive Director / CFO
Brian J. Sinnwell	Deputy Executive Director / CPO
Dorothy "Dodie" Caulk, CPA, CM	Director of Finance & Accounting
Dwight H. Clayton, PE, AAE	Director of Engineering

THAT any of the above-named persons is further authorized to endorse by signature or facsimile to the order of said Corporation, checks, drafts and other evidence of claim for deposit.

THAT the Executive Director or Deputy Executive Director / CFO are further authorized to designate to certain Finance staff the ability to conduct electronic financial transactions as may be needed in the normal course of business.

THAT the authority vested by this Resolution shall continue until written notice shall be given and acknowledged by Republic Bank, setting forth any change with respect thereto.

THAT the Assistant Secretary of the Corporation is authorized and directed to deliver for and on behalf of the Corporation a certificate of this Resolution to Republic Bank.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal
of this Authority this 17th day of May, 2017.

Assistant Secretary

SEAL

LAND FUND ACCOUNT

Meeting of the Louisville Regional Airport Authority May 17, 2017

Upon motion duly made, seconded and passed, the following Resolution was unanimously adopted by the Board of the Louisville Regional Airport Authority at a meeting duly held May 17, 2017 at which at least a quorum was present.

RESOLUTION

"RESOLVED THAT REPUBLIC BANK, Louisville, Kentucky, be and it is designated as a depository of the funds of this Corporation with respect to the Land Fund Account.

THAT all prior Resolutions granting authority to withdraw funds of the Authority with respect to the Land Fund Account with such depository are rescinded.

THAT any deposit of this Corporation to the Louisville Regional Airport Authority Account with Republic may be drawn by check in the name of the Corporation signed by any one of the following for checks less than One Thousand Dollars (\$1,000.00) and by any two of the following for checks of One Thousand Dollars (\$1,000.00) or more:

<u>NAME</u>	<u>TITLE</u>
C. T. "Skip" Miller, AAE	Executive Director
Karen Scott, PE, AAE	Interim Executive Director
Steven C. Petty, AAE	Deputy Executive Director / COO
Patricia L. Apone, AAE	Deputy Executive Director / CFO
Brian J. Sinnwell	Deputy Executive Director / CPO
Dorothy "Dodie" Caulk, CPA, CM	Director of Finance & Accounting

THAT any of the above-named persons is further authorized to endorse by signature or facsimile to the order of said Corporation, checks, drafts and other evidence of claim for deposit.

THAT the Executive Director or Deputy Executive Director / CFO are further authorized to designate to certain Finance staff the ability to conduct electronic financial transactions as may be needed in the normal course of business.

THAT the authority vested by this Resolution shall continue until written notice shall be given and acknowledged by Republic Bank, setting forth any change with respect thereto.

THAT the Assistant Secretary of the Corporation is authorized and directed to deliver for and on behalf of the Corporation a certificate of this Resolution to Republic Bank.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal
of this Authority this 17th day of May, 2017.

Assistant Secretary

SEAL

PARKING FUND ACCOUNT

Meeting of the Louisville Regional Airport Authority
May 17, 2017

Upon motion duly made, seconded and passed, the following Resolution was unanimously adopted by the Board of the Louisville Regional Airport Authority at a meeting duly held May 17, 2017 at which at least a quorum was present.

RESOLUTION

"RESOLVED THAT REPUBLIC BANK, Louisville, Kentucky, be and it is designated as a depository of the funds of this Corporation with respect to the Parking Fund Account.

THAT all prior Resolutions granting authority to withdraw funds of the Authority with respect to the Parking Fund Account with such depository are rescinded.

THAT any deposit of this Corporation to the Louisville Regional Airport Authority Account with Republic may be drawn by check in the name of the Corporation signed by any one of the following for checks less than One Thousand Dollars (\$1,000.00) and by any two of the following for checks of One Thousand Dollars (\$1,000.00) or more:

<u>NAME</u>	<u>TITLE</u>
C. T. "Skip" Miller, AAE	Executive Director
Karen Scott, PE, AAE	Interim Executive Director
Steven C. Petty, AAE	Deputy Executive Director / COO
Patricia L. Apone, AAE	Deputy Executive Director / CFO
Brian J. Sinnwell	Deputy Executive Director / CPO
Dorothy "Dodie" Caulk, CPA, CM	Director of Finance & Accounting

THAT any of the above-named persons is further authorized to endorse by signature or facsimile to the order of said Corporation, checks, drafts and other evidence of claim for deposit.

THAT the Executive Director or Deputy Executive Director / CFO are further authorized to designate to certain Finance staff the ability to conduct electronic financial transactions as may be needed in the normal course of business.

THAT the authority vested by this Resolution shall continue until written notice shall be given and acknowledged by Republic Bank, setting forth any change with respect thereto.

THAT the Assistant Secretary of the Corporation is authorized and directed to deliver for and on behalf of the Corporation a certificate of this Resolution to Republic Bank.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal
of this Authority this 17th day of May, 2017.

Assistant Secretary

SEAL

PFC FUND ACCOUNT

Meeting of the Louisville Regional Airport Authority
May 17, 2017

Upon motion duly made, seconded and passed, the following Resolution was unanimously adopted by the Board of the Louisville Regional Airport Authority at a meeting duly held May 17, 2017 at which at least a quorum was present.

RESOLUTION

"RESOLVED THAT REPUBLIC BANK, Louisville, Kentucky, be and it is designated as a depository of the funds of this Corporation with respect to the PFC Fund Account.

THAT all prior Resolutions granting authority to withdraw funds of the Authority with respect to the PFC Fund Account with such depository are rescinded.

THAT any deposit of this Corporation to the Louisville Regional Airport Authority Account with Republic may be drawn by check in the name of the Corporation signed by any one of the following for checks less than One Thousand Dollars (\$1,000.00) and by any two of the following for checks of One Thousand Dollars (\$1,000.00) or more:

<u>NAME</u>	<u>TITLE</u>
C. T. "Skip" Miller, AAE	Executive Director
Karen Scott, PE, AAE	Interim Executive Director
Steven C. Petty, AAE	Deputy Executive Director / COO
Patricia L. Apone, AAE	Deputy Executive Director / CFO
Brian J. Sinnwell	Deputy Executive Director / CPO
Dorothy "Dodie" Caulk, CPA, CM	Director of Finance & Accounting

THAT any of the above-named persons is further authorized to endorse by signature or facsimile to the order of said Corporation, checks, drafts and other evidence of claim for deposit.

THAT the Executive Director or Deputy Executive Director / CFO are further authorized to designate to certain Finance staff the ability to conduct electronic financial transactions as may be needed in the normal course of business.

THAT the authority vested by this Resolution shall continue until written notice shall be given and acknowledged by Republic Bank, setting forth any change with respect thereto.

THAT the Assistant Secretary of the Corporation is authorized and directed to deliver for and on behalf of the Corporation a certificate of this Resolution to Republic Bank.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Corporate Seal
of this Authority this 17th day of May, 2017.

SEAL

Assistant Secretary

CHAPTER 600
CHARGES AND FEES

601 RATES, CHARGES AND FEES

- A. The Authority shall from time to time establish and publish general rates, charges and fees for the use of Airport landing areas, ramps, and common aviation facilities, and for commercial vendors, concessionaires and other Persons for the use or occupancy of Terminal or other ground use facilities, all upon such conditions as the Authority may deem in the best interest of maintaining, operating or expanding necessary Airport or air navigation facilities, and the public use thereof. Such general rates, charges and fees, when established and published as required by law, shall have the same force and effect as if a part of these Regulations. Published general rates, charges and fees shall not apply to Signatory Airlines or to any user of the Airport with whom the Authority has entered into a written agreement, license, or permit providing different rates, charges or fees. Nothing in such published general rates, charges and fees, or in these Regulations shall be deemed to grant authorization to any Person to conduct any commercial or other activity upon, or occupy any part of, the Airport for any purpose.
- B. Definitions. For purposes of Chapter 600:
- (1) "AIRPORT USE AGREEMENTS" are written agreements between an air transportation company and the Authority having terms and provisions substantially like those set forth in the form of agreements approved by the Authority's Board on or about June 2005 and May 2015.
 - (2) a "SIGNATORY AIRLINE" is an air transportation company which (i) provides air service; (ii) has executed an Airfield Use Agreement; and (iii) has either (y) entered into a Terminal Use and Lease Agreement for use and occupancy of the Landside Terminal Building Area, the Airside Terminal Building Area, and the Terminal Apron Area having terms substantially the same as those contained in the Amended and Restated Terminal Use and Lease Agreement entered into by certain airlines effective July 1, 2015 and providing for the leasing of a minimum of 500 square feet of Exclusive Use Space or (z) leased or subleased from the Authority a minimum of five acres or entered into a "through the fence" agreement allowing airfield access from adjoining facilities in each case for a term ending on the earlier of (a) ten (10) years from the Effective Date of the Terminal Use and Lease Agreement or (b) June 30, 2021. "Signatory Airline" shall also include any wholly-owned subsidiary of the Signatory Airline and, if the Signatory Airline is a wholly-owned subsidiary of another legal entity, any other wholly-owned subsidiary of the same legal entity that is the parent of the Signatory Airline.
 - (3) a "NON-SIGNATORY AIRLINE" is an air transportation company which has not executed an Airfield Use Agreement and another qualifying agreement, as detailed in Section 601.B.(2) above, to become a Signatory Airline.

602 BUILDING OCCUPANCY, HOLDOVER AND JOINT SPACE

- A. Nothing herein contained shall require the Authority to consent to, or shall be construed as consent to, the use of space within any building. The right of any Person occupying or using space to continue to use or occupy under these Regulations may be terminated by the Authority immediately upon notice, and such termination shall be effective at the conclusion of any period for which the rents have been paid prior to the receipt of such notice.
- B. Any Person occupying or using space in any building on the Airport, after the expiration of such Person's contract, permit, lease or license, without written permission to do so from the Authority, shall pay rent at double the rate provided in such expired contract, permit, lease or license for each month or fraction thereof of occupancy of such space, which amount shall be payable, in advance,

on the first day of each monthly period of extended occupancy, and where appropriate, shall be in addition to payment for utilities consumed in such space.

- C. In the event two or more Persons jointly occupy or use space, each shall be obligated to the Authority for the full amount due therefore, but the total amount received by the Authority shall not thereby be increased, and each of such occupants shall be credited with the amount paid by any other for such joint space.

603 POLICY FOR ESTABLISHING CERTAIN RATES, FEES AND CHARGES

- A. The basic policy of the Authority is that the Airport System will be operated, maintained and developed on at least a self-sustaining basis, without the use of local tax revenues and in a manner designed to meet the covenants under the Louisville Regional Airport Authority Airport System Revenue Bond Resolution. To this end, rates, fees and charges to airlines operating at Louisville International Airport without a written agreement with the Authority, will be established, subject to the right of the Authority to amend its Schedule of General Rates, Charges and Fees as permitted by law and consistent with the provisions of said Revenue Bond Resolution and other obligations of the Authority.
- B. In return for use of premises, and the rights, licenses, and privileges granted hereunder and for the undertakings of the Authority, airlines and other users of airport facilities agree to provide the Authority information and to pay the Authority, without deduction or set off, certain rentals, fees, and charges as set forth in these Regulations. Users shall furnish to the Authority on or before the 10th day of each month, an accurate report of their activities at the Airport during the preceding month, setting forth all data the Authority deems reasonably necessary to calculate the fees and charges due the Authority under these Regulations. These activities may include, as appropriate, total number of landings for the month by type of aircraft, the certificated weight of each aircraft, the use of aprons, holdrooms and loading bridges not leased to airline on a Preferential Basis, length of stay information in hours or days, and the total number of enplaning and deplaning passengers reported as to "scheduled" and "charter". All fees and charges shall be due and payable within fifteen (15) days from date of invoice unless otherwise specified on the invoice. Any payment not received on or before the due date shall accrue interest as specified in Section 604 below.

604 INTEREST AND SERVICE CHARGE

- A. All rentals, fees or other charges due the Authority under these Regulations, under any written agreement, permit or license (except under a written agreement, permit or license executed prior to the adoption of these Regulations), or otherwise, shall be due on the due date specified in the agreement with or permit or license issued by the Authority or, in the absence thereof, on the invoice issued therefore. There shall be an interest and service charge of one and one-half percent (1-1/2%) for each month or fraction thereof, on any amount due and unpaid to the Authority under such agreement, permit, license or invoice commencing on the first day following the due date thereof. The obligation for payment of such interest and service charge shall be a part of all agreements, permits or licenses hereafter executed by the Authority, whether or not expressed therein and whether or not reference to this Regulation is made therein. In no case shall such interest and service charge be less than one dollar (\$1.00) per assessment per month.
- B. To the extent any interest and service charge provided in Section 604A of these Regulations shall exceed the amount or rate allowed by law under the particular circumstances, such charge shall be reduced to the maximum amount allowed by law.

605 SCHEDULE OF GENERAL RATES, CHARGES, FEES, AND PENALTIES

This Schedule of General Rates, Charges and Fees is adopted pursuant to KRS 183.133 and Section 601 of the Regulations of the Louisville Regional Airport Authority and shall be deemed a part of the Regulations.

A. Landing Fees, both Airports, each landing, Non-Based Commercial Aircraft Operators:

One Dollar and ~~Fifty-seven~~Thirty-four and ~~Seven-Two~~Tenth Cents (\$~~1.577~~342) per 1,000 pounds of Maximum Landing Weight; minimum: \$5.00 per Aircraft. No fee applies to Exempt Landings, as defined in the Airport Use Agreement, as may be amended from time to time. Exempt Landings include ferry flights and any landing of an aircraft which after having taken off from the Airport, and without landing at any other airport, shall return to land at the Airport because of (i) weather conditions, (ii) mechanical or operating failure or causes, (iii) any other reason of caution or emergency, (iv) training flights, or (v) maintenance check flights.

B. License Fees for Based Commercial Aircraft Operators, Both Airports:

Annually, for each Aircraft operated under certificate issued by the Federal Aviation Administration pursuant to:

- (1) 14 CFR, Part 135 (FAR Part 135) - Seven Hundred Dollars (\$700);
- (2) 14 CFR, Part 121 (FAR Part 121) - One Thousand Four Hundred Dollars (\$1,400);

In addition to any other applicable rates, fees, or charges established by this Schedule or agreed to by the Operator and the Authority.

C. Fuel Flowage Fees, Aircraft Fuels:

- (1) Louisville International Airport
 - (a) Except for sales to which subsections b, c, or d of this Section C. (1) applies, Four and one half cents (\$.045) per gallon sold or delivered for any purpose, including to itinerant (non-Airport based) military aircraft other than resale in the regular course of business.
 - (b) One and one quarter cents (\$.0125) per gallon sold or delivered to non-scheduled air carriers.
 - (c) 2.0 mil per gallon on first 750,000 gallons per month sold or delivered to scheduled air carriers and military aircraft based at the Airport.
 - (d) 1.5 mil per gallon over 750,000 gallons per month sold or delivered to scheduled air carriers and military aircraft based at the Airport.
- (2) Bowman Field - One cent (\$.01) per gallon.

D. Aircraft Parking Fees, on Land Not Under Lease:

Aircraft may park free of charge on land not leased to a Fixed Base Operator or used as Terminal Aprons for periods not to exceed the first eight (8) hours during a calendar month. After the first eight (8) hours in any calendar month, continuous or intermittent parking of each Aircraft shall be at the following rates:

- (1) Louisville International Airport:

Type of Aircraft	Rate per Day or Fraction Thereof
Single Engine	\$ 5.00
Multi Engine Less than 12,500 lbs.	8.00

12,500 – 25,000 lbs.	10.00
25,000 – 50,000 lbs.	15.00
50,000 – 75,000 lbs.	20.00
75,000 – 150,000 lbs.	30.00
150,000 – 300,000 lbs.	55.00
300,000 – 450,000 lbs.	95.00
Over 450,000 lbs.	125.00

(2) Bowman Field:

Type of Aircraft	Rate per Day or Fraction Thereof
Single Engine	\$ 5.00
Multi Engine Less than 12,500 lbs.	8.00
12,500 – 25,000 lbs.	10.00
25,000 – 50,000 lbs.	15.00
50,000 – 75,000 lbs.	20.00

E. Non-Contract Space Rentals:

Rental for any exclusive or shared-use space occupied without a current written lease, contract or agreement with the Authority, including temporary use of such space, shall be at the following monthly, daily or per use rates as applicable:

(1) Louisville International Airport:

- (a) **Landside Terminal Space** - Monthly rate of Three Dollars and ~~Fifty-five~~Forty-eight Cents (\$3.4855) per square foot, with a minimum charge of \$250.00 per month or fraction thereof.
- (b) **Air Carrier Common Use Area Fees (Bag Claim, Bag Make Up)**- Eighty percent (80%) of the total required fees is prorated for a calendar month on the basis of the Airline's local deplaned passengers (bag claim) or enplaned passengers (bag make up) during the preceding month in relation to the deplaned/enplaned passengers for all users of the Common Use bag claim/bag make up area during the period (or as estimated if last month's number of actual passengers is not available).

Twenty percent (20%) is divided equally among the Signatory Airlines for which the local portion of its deplaned/enplaned passengers (including for purposes hereof those of its qualifying carriers (as that term is defined in the 2015 Amended and Restated Agreement) but excluding those on flights for which such Signatory Airlines served as a qualifying carrier for another Signatory Airline) in such month totaled at least 800, plus any scheduled airlines, not already covered by the definition of Signatory Airline, whose deplaned/enplaned passengers in such month totaled at least 800.

Each air carrier signatory to the Airport Use and Lease Agreements and every other air carrier using the terminal building at Louisville International Airport pays monthly one-twelfth (1/12) of its share of the total annual fees.

- (b)(c) **Airside Terminal Space** - Monthly rate of Four Dollars and ~~Ninety~~Thirty-six Cents (\$4.396) per square foot, with a minimum charge of Two Hundred Fifty Dollars (\$250.00) per month or fraction thereof.

(e)(d) **Terminal Apron Space** – ~~One Dollar and sixFifty-eight Cents (\$1.060.58)~~ per 1,000 pounds of certificated gross landed weight for each use of Terminal Apron Space (remote aircraft parking) not under lease, the duration of each such use not to exceed eight (8) hours while the Airside Terminal is open.

(d)(e) **Per Turn Gate Usage Fees, Louisville International Airport Airside Terminal Building** - Airlines may use gate positions not under lease on a preferential basis (as defined in the Terminal Use and Lease Agreement) to a Signatory Airline. The gate use will include a terminal holdroom, apron area aircraft parking space and an Authority-owned passenger boarding bridge (where available). The following fee applies to each individual Per Turn use:

Signatory Airlines - \$294266
\$338306

Non-Signatory Airlines -

Each individual Per Turn gate use is limited to a maximum of 4 hours while the terminal is open. Airline's use beyond the maximum time will be assessed an additional Per Turn fee, unless the aircraft is relocated away from the gate to a common use aircraft parking area. Common use terminal apron parking areas are subject to additional fees as specified in part (c) of this section.

(e)(f) **Per Day Airline Ticket Counter Usage Fees, Louisville International Airport Landside Terminal Building** – Airlines or Persons may use airline ticket counters not under lease to a Signatory Airline or tenant. The airline ticket counter use will include ticket counter podium(s), ticket counter bag belt use, and queuing area with stanchions; provided, enclosed office space (where available) may be included as requested. The Per Day Airline Ticket Counter Usage Fee rate is Eleven and seven-tenths Cents (~~\$0.117~~114) per square foot, plus Eleven Dollars and Ten Cents (~~\$11.10~~11.10) for ticket counter bag belt use.

(2) Bowman Field:

Administration Building - One Dollar and Seventeen Cents (\$1.17) per square foot per month with a minimum charge of One Hundred Fifty Dollars (\$150.00) per month or fraction thereof.

F. **Bowman Field Authority T-Hangar Monthly Rates**

T-Hangar Number	Annual Lease Monthly Rental Rate	Month-to-Month Lease Monthly Rental Rate
401-432	\$ 363.00	\$ 399.00
1-4, 7-10, 12, 14-15, 17-24, 26-29, 32-35, 37,39-49, 51-54, 57-60, 62, 64-65, 67-74, 76-79, 81-87, 89-95, 97-100, 302-305, 307-315, 317-325, 327-330	\$ 310.00	\$ 341.00
5-6, 11, 13, 16, 25, 30-31, 36, 38, 50, 55-56, 61, 63, 66, 75, 80, 88, 96, 101, 301, 306, 316, 326	\$ 394.00	\$ 433.00
332-335, 354-357, 359-362, 381-384	\$ 397.00	\$ 436.00
331, 353, 358, 380	\$ 438.00	\$ 481.00
337-343, 345-351, 364-370, 372-378	\$ 454.00	\$ 499.00
336, 352, 363, 379	\$ 531.00	\$ 584.00
344, 371	\$ 567.00	\$ 623.00

G. **Louisville International Airport and Bowman Field Permit Fees**

(1) **Louisville International Airport**

- (a) For the non-exclusive privilege of conducting business on the Airport and providing services to tenants of the Airport and others, including, but not limited to, normal and customary ground handling services, aircraft cleaning and detailing, aircraft maintenance, ground equipment service and maintenance, selling and brokering of glycol, the application of glycol, sorting of cargo and mail, and other third party services, Persons shall obtain a permit to conduct such activity from the Authority, and shall pay to the Authority a fee of ten percent (10%) of all monthly gross receipts derived from conducting and providing such services. Person agrees that it will perform the services only on the basis of written contracts with one or more of the tenants on the Airport. Person shall provide the Authority with copies of such contracts upon request. Person is not authorized to perform any other activity or conduct any other business at the Airport under this permit.

(2) **Bowman Field**

- (a) Commercial Operators - As defined in Chapter 800 shall pay 3% of Gross Revenues or as otherwise stipulated under a specific agreement or contract between the Commercial Operator and the Authority.
- (b) Independent Operators - As defined in Chapter 800 shall pay an annual permit fee of \$200.00.

H. **Bowman Field Penalties**

If a Commercial or Independent Operator is found to be conducting any Commercial Activity on the Airport without Authorization and the proper permits or agreements from the Authority, The Commercial or Independent Operator shall be subject to the following fines and penalties:

- (1) The first offense - \$250.00
- (2) The second offense - \$450.00
- (3) The third offense - removed from, and prohibited from entering Airport property.

I. **Other Charges**

Excessive Utility Charge - If a tenant is not assisting in the proper maintenance of environmental controls (i.e., leaving doors open to the outside in extreme hot or cold temperatures), and the Authority is incurring additional utility charges due to the tenants lack of cooperation, the Authority has the right to bill the tenant, the actual amount of additional utility charges or One Hundred Dollars (\$100) per day, whichever is greater.

J. **Non-Authority Sponsored Activities**

For the privilege of conducting a non-Authority sponsored activity at the Airport, operators shall contact the Authority in advance and pay an Activity Fee as determined by the Authority, but not less than \$1,000.00 per activity.

K. **General Requirements:**

- (1) Persons not having authorization from the Authority shall not conduct Commercial Activity at the Airport, including use of the Airport driveways, without a Permit or lease issued in compliance with this and other Regulations of the Authority. Any Person desiring such a Permit may obtain one by duly filing an application with the Executive Director on forms provided by the Authority; provided, Authority approves such application. Information to be furnished by applicants shall include, but may not be

limited to, the following: (i) Name, form of business entity of Applicant and place of formation or incorporation; (ii) Address of applicant and designation of person and address to whom all correspondence from the Authority should be directed; (iii) Agent and registered address for service of legal process; (iv) Proof of insurance coverage required by this Regulation, including a copy of the insurance policy or certificate of insurance; (v) Any other information the Executive Director deems necessary properly to implement this Regulation.

- (2) Nothing in this Schedule of General Rates, Charges and Fees shall be deemed to grant Authority approval to conduct any Commercial Activity or other activity upon the Airport without prior express written approval and upon such further terms and conditions as may be prescribed in such approval.

606 RENTAL CAR OPERATIONS - LOUISVILLE INTERNATIONAL AIRPORT

A. Off-Airport Rental Car Operators

- (1) For the privilege of conducting business by providing vehicles to passengers at or picked up at the Airport, and using Authority provided driveways, Terminal curb areas and other Airport facilities (the "Concession"), each rental car operator ("Operator") operating at the Airport without a concession agreement with the Authority shall obtain a permit to do so from the Authority ("Permit") and pay to the Authority a fee (the "Fee") of ten percent (10%) of all monthly gross receipts derived from rental of vehicles to passengers picked up at the Airport.

The Operator shall separately state and collect the ten percent of gross receipts to be paid to the Authority in all rental contracts for all rentals, services or fees paid by its customers. Such amount shall be identified as "Concession Fee" on each rental contract. The Operator shall state in all rental agreements the Vehicle License Fee, Loss Damage Waiver Fee, Collision Damage Waiver Fee, or other pass through fees allowed herein. Any such amounts collected by Operator shall be included in the Gross Receipts. The Concession Fee amounts collected shall be subject to an allowable recoupment fee or concession fee recovery by the Operator and such recoupment fee shall not make the Concession Fee to exceed 11.11%. No other pass-through fees or charges, including property taxes, shall be allowed other than exceptions allowed herein. The Authority shall have the right to modify or delete this requirement upon thirty (30) days' written notice to each operator if it concludes, in its sole discretion, that its treatment of such a fee is not in the best interest of the Authority, is contrary to accepted industry practices, or is unlawful.

- (2) Within fifteen (15) calendar days after the end of each calendar month in which operations covered by this Regulation have been conducted, Operator shall submit to the Authority payment of the Fee together with a duly certified statement of gross receipts derived from such operations in such form and detail as the Authority may from time to time specify, verifying the amount of such Fee that is due and payable for such month. The Authority reserves the right to audit the Operator's books, including the general ledger, and records of receipts at any reasonable time, for the purpose of verifying the gross receipts reported by the Operator hereunder. No demand of payment or performance of any obligation of Operator hereunder need be made, but it shall be the duty of the Operator to pay monies and perform all other obligations hereunder when due without demand. Failure to pay any amount or to perform any other obligation when due hereunder shall entitle the Authority, in addition to any other remedy, to revoke or suspend the Operator's Permit upon issuance of written notice of the violation(s) and failure of the Operator to cure same within the time specified therein, until any such violation is cured.

- (3) The term "gross receipts" as used herein shall mean, for all purposes hereof, in the case of each rental transaction, the greater of (i) the amount stated on the rental agreement or other documentation at the time the customer takes delivery of the vehicle, or (ii) the revenue actually received on account of such vehicle rental transaction, plus the aggregate of the entire amount of all revenues received and services performed for cash, on credit or otherwise, of every kind, name and nature arising out of or from Operator's operations at or from the Airport, regardless of actual collection, including without limitation:
- (a) Amounts paid by customers of Operator separately billed as additional charges in consideration for waiver by Operator of its right to recover from customers for damage to the vehicle rented (commonly referred to as collision damage waiver "CDW" or loss damage waiver "LDW"), including unbundled CDW or LDW (unbundling commonly referred to as Rental Car Companies' practices of having agreements with customers that stipulate an "all inclusive" rate that, in addition to time and mileage, may include loss damage waiver, collision damage waiver, liability insurance supplement, personal accident insurance, and personal effects coverage);
 - (b) Any charges separately billed to customers for any time, mileage, pre-paid toll service, cellular phones, child seats, additional driver fees, underage or overage driver, global positioning navigational system equipment, satellite radio/data service, cellular phone/laptop/tablet charging devices, including any fees, surcharges and all other charges, derived from or incidental to the Operator's Concession under a Permit;
 - (c) Any charges separately billed to customers for prepaid fueling or as reimbursement for refueling an automobile which is rented pursuant to a rental agreement under which the customer is obligated to return the automobile with the same amount of gasoline as furnished at the inception of the rental (commonly referred to as "fuel to fill");
 - (d) The amount of any corporate or volume discounts or rebates, including any discounts or adjustments granted to customers for customers service issues;
 - (e) The value of pre-paid coupons and vouchers sold to corporations, tour operators or individuals, either in advance or invoiced after use, even if the rental charges are not shown on the actual closing rental agreement (For purposes of this paragraph, "value" shall mean the amount paid by the customer);
 - (f) The full rate that would have otherwise been charged to those receiving complimentary automobiles, including automobiles provided to tour operators, their affiliates, representatives or other third parties for the promotion of business, or automobiles otherwise provided in exchange for goods, services, or accommodations;
 - (g) Any charges separately billed to customers of Operator for Vehicle License Fee ("VLF") including all items included in the VLF line item except federal, state or municipal sales taxes or other similar taxes such as property taxes;
 - (h) The amount charged for drop off fees, intercity fees or other similarly named fees that are charged to customers for one-way vehicle rentals;

- (i) The amount of all charges for rental agreements entered into although the vehicle initially rented is exchanged elsewhere and a new rental agreement is submitted therefore;
- (j) Proceeds from the sale of vehicles for retail to general consumers under no formal program or from formal programs such as "rent-to-own" or "rent-to-buy"; and
- (k) Any amounts charged by Operator to the customer as a pass through to its customer of Fees.

Except:

- (l) The amount of any federal, state, local, sales or tourism taxes, U-Drive-It / Motor Vehicle Usage taxes or other similar taxes separately stated and collected from customers of Operator now or hereinafter levied or imposed;
 - (m) Any sums received by Operator as compensation for damage to automobiles or other property of Operator, or for loss, conversion, or abandonment of such automobiles including charges to a customer for: towing of a damaged vehicle; payment of transporters to drive a damaged vehicle to the Operator's place of business; replacement of lost or damaged keys; citations, fees, and tolls issued by law enforcement or other governmental or quasi-governmental authorities; fees for release of a vehicle from impound storage; costs for repair and/or extensive cleaning of a vehicle due to damage; and other expenses incurred by Operator and reimbursed by the customer to return a vehicle back to service because of damage, to the extent that such charges do not exceed the actual documented cost of the costs incurred by Operator;
 - (n) Customer Contract Fee (as defined later in this section);
 - (o) Any discounts separately stated on the rental agreement at the time the customer takes delivery of the vehicle, and are recorded and reported in separately documented accounts from non-excludable discounts. Operator forfeits exclusion of all discounts in the event otherwise allowable discounts are commingled with any non-excludable amounts. No exclusion shall be allowed for any amount retained by a third party as a financing discount which may apply by reason of Operator's acceptance of credit cards or other credit arrangements. No exclusion shall be allowed for the portion of retroactive rebates, dividends or refunds to any customer upon attainment of a specified volume of rentals attributable to revenue or as part of any other marketing plan which does not list the discount on the rental agreement at the commencement of the rental transaction;
 - (p) Proceeds from the sale of cars for wholesale to those other than the general consumer;
 - (q) Proceeds from the sale of Operator's capital assets.
- (4) Operator's vehicles used to pick up or drop off customers at the Airport shall be covered by auto liability insurance providing coverage for bodily injury and property damage, in the single limit amounts of not less than \$1,000,000. The Authority shall be furnished a copy of said certificate of insurance, in which the Authority shall be named an additional insured, with satisfactory assurance that said insurance will not be canceled without thirty (30) days prior written notice of such cancellation to the Authority.

- (5) Persons not having a concession agreement or other authorization from the Authority shall not rent vehicles to passengers to be picked up at the Airport, without a Permit issued in compliance with this and other Regulations of the Authority. Any Person desiring such a Permit may obtain one by duly filing an application with the Executive Director on forms provided by the Authority. Information to be furnished by applicants shall include, but may not be limited to, the following: (i) Name, form of business entity of Applicant and place of formation or incorporation; (ii) Address of applicant and designation of person and address to whom all correspondence from the Authority should be directed; (iii) Agent and registered address for service of legal process; (iv) Proof of insurance coverage required by this Regulation, including a copy of the insurance policy or certificate of insurance; (v) Any other information the Executive Director deems necessary properly to implement this Regulation. Permits issued hereunder shall expire, unless sooner terminated, on December 31 of each year. Applications for renewal permits shall follow the same procedures as for permits hereunder.

B. Rental Car Customers

- (1) For the privilege of using Authority-approved Airport facilities as the origin for the rental, pick-up or delivery of rental cars, or as the origin or destination for being transported or shuttled to off-airport locations for the rental of rental cars, each Rental Car Customer using such Authority-provided Airport facilities shall pay to the Rental Car Company from which it rents a car, in trust for the benefit of the Authority, a fee (the "Customer Contract Fee") of \$5.00 per Rental Car Transaction.
- (2) For purposes of this Section, the term "Rental Car Customer," shall mean any person or entity who rents a car, truck or other motorized vehicle.
- (3) For purposes of this Section, the term "Rental Car Company" shall mean any person or entity who rents cars, trucks or other motorized vehicles, or who picks up customers in contemplation of renting cars, trucks or other motorized vehicles, at the Airport, all whether pursuant to a concession agreement, a permit or otherwise.
- (4) For purposes of this Section, the term "Rental Car Transaction" shall mean the rental of one car, truck or other motorized vehicle by one person, one entity or one combination of persons and/or entities, for an uninterrupted period of time.

607 PUBLIC VEHICLE PARKING RATES - LOUISVILLE INTERNATIONAL AIRPORT

Under 4 Hours		Over 4 Hours	
Garage Level 1		Garage Level 1-4	
Hours	Rate	Hours	Rate
0 - 1	\$1	0 - 1	\$2
Each Additional ½ Hour	\$1	Each Additional Hour	\$2
Maximum/Day	\$19	Maximum/Day	\$13
		Maximum/Week	\$78
Remote (Surface) lot		Premium Surface	
Credit Card Only Lot			
Hours	Rate	Hours	Rate
0 - 24	\$9	0 - 1	\$1
24 - 25	\$11	Each Additional ½ Hour	\$1
25 - 26	\$13	Maximum/Day	\$15
26 - 27	\$15	Maximum/Week	\$90
27 - 48	\$18		
Maximum/Day	\$9		
Each Additional Day	\$9		

Maximum/Week \$54

Preferred Parking (Garage)	Rate	Preferred Parking (Credit Card Only Lot)	Rate
Prepaid 6 months	\$2,000	Prepaid 6 months	\$1,500
Prepaid 12 months	\$4,000	Prepaid 12 months	\$3,000

Airport parking lots are available on a *first come, first served* basis; provided, reserved spaces for Preferred Parking will be clearly marked. The parking garage is fully handicap accessible. Vehicles having a handicap license plate or handicap hanging tag will be charged the least expensive parking rates. Handicap spaces are located near the elevators on each level of the garage.

608 TENANT EMPLOYEE PARKING LOT – LOUISVILLE INTERNATIONAL AIRPORT

Parking for tenants and employees of tenants will be provided by the Authority for a fee of Fifteen Dollars (\$15.00) per month. Such fee is to be paid monthly by the fifth day of the current month.

609 INSURANCE REQUIREMENTS

A. General Requirements

- (1) Except under the terms and conditions of a lease, license, contract, permit or other agreement issued by the Authority which provides for a different limit, any Person conducting a commercial operation of any kind on or from the Airport shall be required to provide, at such Person's sole expense, certificates of insurance in a company or companies acceptable to the Authority in which insurance the Authority shall be named an additional insured, in the following minimum amounts:
 - (a) For activities conducted on the runways or taxiways at Louisville International Airport, liability insurance coverage for property damage and bodily injury in the single limit amount of \$10,000,000.00; and
 - (b) For activities conducted in the AOA, liability insurance coverage for property damage and bodily injury in the single limit amount of \$2,000,000.00; and
 - (c) For all activities conducted outside the AOA, \$1,000,000.00 combined single limit liability insurance coverage; and
 - (d) Workers' Compensation insurance covering all employees of such commercial operation in the amounts required by law.
 - (e) For all Ground Transportation Operators, auto liability insurance providing coverage for bodily injury and property damage, in the single limit amounts as set forth by the Commonwealth of Kentucky. The amounts and kinds of insurance required under a lease, contract, license, permit or other agreement may be different from that herein, but in no case shall such insurance coverage be less than the minimums herein specified.
- (2) The Authority shall review the insurance requirements annually in comparison with industry standards and availability.

B. Bowman Field Minimum Standards Insurance Requirements

- (1) Commercial Operators shall be required to provide, at such Person's sole expense, certificates of insurance in a company or companies acceptable to the Authority in which

insurance the Authority shall be named an additional insured, in the following minimum amounts:

- (a) Fixed Based Operators - public liability insurance issued by an insurance company or companies acceptable to the Authority, with combined single limits of not less than \$5,000,000, which provides coverage for public liability, property damage, bodily injury, and automotive and on-airport automotive liability both licensed and unlicensed, (ii) not less than \$1,000,000 of hangar keeper and aircraft liability insurance coverage, and (iii) not less than \$2,000,000 products liability insurance coverage.
- (b) Specialized Aviation Service Operators
 - (i) Aircraft Maintenance and Repair Services – At a minimum, public liability insurance issued by an insurance company or companies acceptable to the Authority, with combined single limits of not less than \$2,000,000, which provides coverage for public liability, property damage, bodily injury, and automotive and on-airport automotive liability both licensed and unlicensed, (ii) not less than \$1,000,000 of hangar keeper and aircraft liability insurance coverage, and (iii) not less than \$2,000,000 products liability insurance coverage.
 - (ii) Avionics, Instrument, and/or Propeller Maintenance Services – At a minimum, public liability insurance issued by an insurance company or companies acceptable to the Authority, with combined single limits of not less than \$2,000,000, which provides coverage for public liability, property damage, bodily injury, and automotive and on-airport automotive liability both licensed and unlicensed, (ii) not less than \$1,000,000 of hangar keeper and aircraft liability insurance coverage, and (iii) not less than \$2,000,000 products liability insurance coverage.
 - (iii) Aircraft Rental/Flight Training - At a minimum, public liability insurance issued by an insurance company or companies acceptable to the Authority, with combined single limits of not less than \$1,000,000, with a per seat limit of \$100,000.
 - (iv) Aircraft Sales - At a minimum, public liability insurance issued by an insurance company or companies acceptable to the Authority, with combined single limits of not less than \$1,000,000.
 - (v) Other Commercial Aeronautical Activities – Limits of liabilities shall be determined by type of service and products being offered and shall be defined in a permit, agreement or other contractual document with the Authority.
- (2) Independent Operators
 - (a) Mechanics - At a minimum, public liability insurance issued by an insurance company or companies acceptable to the Authority, with combined single limits of not less than \$1,000,000.
 - (b) Flight Instructors - At a minimum, public liability insurance issued by an insurance company or companies acceptable to the Authority, with combined single limits of not less than \$1,000,000, with a per seat limit of \$100,000.

C. Non-Signatory Airlines

Any air carrier operating into Louisville International Airport that is not operating under a contractual agreement with the Authority shall provide at such company's sole expense, certificates of insurance in a company or companies acceptable to the Authority in which insurance the Authority shall be named an additional insured, in the following minimum amounts:

- (1) Aircraft liability insurance and comprehensive form general liability insurance, covering bodily injury, personal injury, property damage, cross-liability, products/completed operations liability, premise liability, and contractual liability specifying this Agreement, with a liability limit of not less than four hundred million dollars (\$400,000,000) combined single limit per occurrence, on occurrence form policy. Said limit shall be reduced to one hundred fifty million dollars (\$150,000,000) where Airline's maximum seating capacity on any airplane operated by Airline is thirty (30) or less. With respect to coverage for products/completed operations and personal injury, except with respect to passengers, a sublimit of not less than twenty five million dollars (\$25,000,000) per occurrence, and in the annual aggregate, shall be permitted with the approval of the Authority. Said aircraft liability shall be applicable to owned, non-owned, and hired aircraft.
- (2) Liquor liability insurance for Airline serving alcoholic beverages in an amount not less than twenty-five million dollars (\$25,000,000) per occurrence.
- (3) Automobile liability insurance with a liability limit of not less than ten million dollars (\$10,000,000) for all owned, non-owned, and hired vehicles operated by or on behalf of Airline at the Airport, including any additional or replacement vehicles.
- (4) Hangarkeepers liability insurance or other appropriate insurance in an amount adequate to cover any aircraft or non-owned property in the care, custody and control of Airline at Airport, but in any event in an amount not less than fifty million dollars (\$50,000,000) per occurrence.
- (5) Employer's liability insurance in an amount not less than one million dollars (\$1,000,000) per occurrence.
- (6) Workers' Compensation insurance or evidence of self-insurance, in accordance with the amounts required by law.

LOUISVILLE REGIONAL AIRPORT AUTHORITY
Cooperative Air Service Development Program
Fiscal Year 2018

Purpose

To establish a monetary allocation program that will encourage airlines to initiate new or additional passenger service at Louisville International Airport (SDF) to markets that currently have no nonstop airline service or that the Louisville Regional Airport Authority (LRAA) has determined have inadequate nonstop service from SDF.

Overview

The Marketing Department will request and annually budget an amount approved by LRAA management and the Board to be used to promote new air service. These air service marketing dollars shall not be figured in the rate base of the airlines or affect any cost center in which the airlines participate under the Terminal Use and Lease Agreement and Airfield Use Agreement.

Costs of marketing support, agreed upon in advance, will be borne by the LRAA and allocated according to an established schedule of available funds.

Allocation of funds will be determined in the order a written request is received by the LRAA management or Marketing Department from a current or new entrant airline; in other words participation is on a first-come, first-served basis and until said funding is expended for the fiscal year.

Destinations of Interest

The LRAA will, from time to time, compile a list of destinations of interest. These destinations are much sought after routes that are un-served or are in need of additional non-stop service. As destinations of interest the following routes qualify for support under this program.

Austin, TX (AUS)	Boston, MA (BOS)	Dallas, TX (DAL)
Fort Lauderdale, FL (FLL)	Fort Myers, FL (RSW)	Houston, TX (HOU)
Kansas City, MO (MCI)	Las Vegas, NV (LAS)	Los Angeles, CA (LAX)
Mesa, AZ (AZA)	Myrtle Beach, SC (MYR)	New York, NY (JFK)
New Orleans, LA (MSY)	Oakland, CA (OAK)	Orlando, FL (MCO)
Phoenix, AZ (PHX)	Raleigh, NC (RDU)	Salt Lake City, UT (SLC)
San Diego, CA (SAN)	San Francisco, CA (SFO)	San Juan, PR (SJU)
Seattle, WA (SEA)	Tampa, FL (TPA)	Toronto, Canada (YYZ)

Eligibility

This program is open to all airlines interested in adding regularly scheduled flight service at SDF. New service must result in a net increase in the airline's total number of flights from SDF. The airline may not discontinue an existing flight service to initiate new service to a destination of interest. However, the airline retains the ability to modify the type and gauge of aircraft serving existing routes during the promotional period to meet demand.

For year-round service, the airline must maintain this net increase in flight service for at least six months to qualify for the incentive. For seasonal service, the airline must maintain this net increase in flight service for at least three months. Additional flights to destinations of interest may also qualify for the incentive provided that the airline operates the additional flight(s) on a year-round basis. Landing fee credits will only apply to the additional flights(s). Failure to operate the service for the specified minimum period will require the airline to repay the airport for marketing funds obtained through this program.

Operations and Advertising Support

The LRAA will provide operations and advertising assistance for the new or enhanced service to destinations included in this program. Advertising support requires airline cooperative participation of at least 10% of the total cost of advertising. Airline participation may be funded by cash payment or in various other ways including, but not limited to, providing airline tickets for contests and promotions or providing advertising copy, video, audio or other media. The share may also be funded in other creative ways which need to be submitted to the LRAA Authority for approval before advertising is placed.

All advertising must prominently show or mention the name or logo of "Louisville International Airport". Advertising may be created and/or placed by either the LRAA or airline. However, the campaign schedule, budget and content of all advertising must be approved by both parties prior to placement.

To further support new or enhanced service to a destination included in this program, the LRAA will provide a rent credit based on the number of weekly flights operated and the seasonality of the service. The rent credit will be issued at the conclusion of each three, six, nine and twelve month intervals. Airlines must agree to provide reports detailing aircraft landings and gate usage generated by the qualifying service and submit associated payments on a monthly basis. Once issued each rent credit may be used prospectively to offset or reduce payments required due to any airline activity whether qualifying or not during succeeding intervals. Alternatively, the airline may request that all or a portion of the available rent credit be used for advertising the new service. However, advertising dollars cannot be used to pay rent or other airport use fees.

New Year-Round Nonstop Service to Unserved Target Markets

Service to new unserved markets is eligible for two years of support from this program. Eligible markets include:

Austin, TX (AUS), Boston, MA (BOS), Dallas, TX (DAL), Fort Myers, FL (RSW), Houston, TX (HOU), Kansas City, MO (MCI), Los Angeles, CA (LAX), Mesa, AZ (AZA), Myrtle Beach, SC (MYR), New York, NY (JFK), New Orleans, LA (MSY), Oakland, CA (OAK), Raleigh, NC (RDU), Salt Lake City, UT (SLC), San Diego, CA (SAN), San Francisco, CA (SFO), San Juan, PR (SJU), Seattle, WA (SEA), Toronto (YYZ)

Year Round Nonstop Service

Year One Rent Credit and Advertising:

Four or More Weekly Flights	\$150,000 rent credit	\$75,000 advertising support
One to Three Weekly Flights	\$ 75,000 rent credit	\$75,000 advertising support

Year Two Rent Credit:

Four or More Weekly Flights	\$ 150,000 rent credit
One to Three Weekly Flights	\$ 75,000 rent credit

New Seasonal Nonstop Service (three to six months of service)

Year One Rent Credit and Advertising:

Four or More Weekly Flights	\$75,000 rent credit	\$37,500 advertising support
One to Three Weekly Flights	\$37,500 rent credit	\$37,500 advertising support

Year Two Rent Credit:

Four or More Weekly Flights	\$75,000 rent credit
One to Three Weekly Flights	\$37,500 rent credit

New Year-Round Nonstop Service to Existing Target Markets

Year Round Service to existing target markets is eligible for one year of support under this program.

Markets include: Fort Lauderdale (FLL), Las Vegas, NV (LAS), Orlando, FL (MCO), Phoenix, AZ (PHX) and Tampa, FL (TPA)

Four or More Weekly Flights	\$150,000 rent credit	\$75,000 advertising support
One to Three Weekly Flights	\$ 75,000 rent credit	\$75,000 advertising support

Airlines will agree to pay all applicable rates and charges established by the current Terminal Lease Agreement, Airfield Use Agreement, LRAA regulations, Airport Board policy or other mechanism as costs are incurred during the term of this program. Rent credits will only be issued to airlines whose accounts are in good standing.

Program Acceptance

Qualifying Service:

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Louisville Regional Airport Authority	Title	Date

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Airline Representative	Title	Date