

EXHIBIT K

TERMINAL PROJECT PROCEDURES

PHASE I - DEVELOPMENT OF TERMINAL PROGRAM & ALTERNATIVES

Over the term of the Master Amendment to the Airline Use and Lease Agreement, the Kansas City Aviation Department (“**KCAD**”) and the Signatory Airlines serving Kansas City International Airport (“**MCI**”) have agreed to work collaboratively on defining a direction and preferred alternative for future capital development of the MCI terminal area. It is the expressed goal of the parties that Phase 1 – Development of Terminal Program and Alternatives, be completed by April 30, 2015; however in no event later than April 30, 2016. The Parties shall initially develop a milestone schedule to complete Phase I. Completion of the milestones on this schedule shall result in the completion of Phase I. The following guidelines have been agreed to in order to establish a terminal program that addresses the needs of the airport, airlines, community, other key stakeholders, Transportation Security Administration (“**TSA**”), Federal Aviation Administration (“**FAA**”), among others.

Specifically, the purpose of these Terminal Project Procedures is to establish the general understanding and guidelines for interaction between KCAD and the Signatory Airlines related to future terminal development (the “**Terminal Development Program**”) at MCI with only two viable alternatives considered (a) major renovation, expansion, or re-lifing of the existing terminal area, or (b) new terminal development within the current terminal area.

These procedures are not intended to modify or supersede any City of Kansas City (“**City**”) regulations or requirements.

The Signatory Airlines recognize that KCAD and the FAA have invested in the development of a Draft Program Criteria Document (“**PCD**”) produced by Landrum & Brown (“**L&B**”) dated September, 2013. KCAD recognizes that the PCD development process had limited Signatory Airline involvement; however, all FAA guidelines and procedures were complied with by KCAD and L&B and approved by resolutions by the City Council. The parties have agreed to actively engage in the reevaluation of the assumptions, information and conclusions developed in the PCD and reach mutual concurrence on the future direction of the MCI terminal area.

Definitions

KCAD	A department of the City, which is the owner-operator of MCI. The City, as represented by KCAD, is the Terminal Development Program sponsor with responsibility for funding, procurement, and coordination with Federal, City, local governing agencies, and other stakeholders.
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Signatory Airlines	The Signatory Airlines (“ Airlines ”) serving MCI or their designated representative.
ATR	The Airline Technical Representative (“ ATR ”), retained by the airlines to assist the Signatory Airlines in their oversight of the Terminal Development Program. The ATR shall be the single point of contact for all airline coordination issues as required for timely input from the Signatory Airlines as required for identification of the Recommended Terminal Development Alternative (as defined later).
Leadership Committee	The committee established by KCAD and Signatory Airlines to provide leadership over the Terminal Development Program. Members consist of the (1) KCAD Deputy Director, Engineering (“ Program Director ”), (2) KCAD Deputy Director, Finance, (3) KCAD Deputy Director, Commercial Development, (4) the Signatory Airlines AAAC Chair or their designated representative. The Leadership Committee reports to the KCAD Aviation Director.
Terminal Planning Team	L&B, who prepared the PCD and is currently under contract to KCAD supplemented by a mutually agreeable design firm that will develop the final alternatives concepts and study.
Phase I	The process of developing the Terminal Development Program including the Recommended Terminal Development Alternative.
Phase II	The process of designing and implementing the Terminal Development Program including the Recommended Terminal Development Alternative.
Target Total Annual Airline Requirement	The average annual amount paid by the Signatory Airlines for rentals, fees, and charges in the Airfield, Terminal, Apron, and Passenger Boarding Bridges cost centers (or such other similar cost centers as negotiated between the parties) projected for the first five years of operation of the new terminal facilities. Such amount shall be based upon KCAD using reasonable efforts in its debt financing to achieve level overall debt service for combined outstanding and future debt, both during and beyond the term of the new agreement.

A. Leadership Committee

1. The Leadership Committee establishes the general guidance for the various teams and parties to be followed in the execution of the work described in this document.
2. For purposes of voting, the Signatory Airlines AAAC Chair, or the Signatory Airlines AAAC Chair's designated representative, shall have two votes while each of the other three members shall have one vote.
3. The Leadership Committee will participate in the selection of a Program Manager when such need arises.
4. The Leadership Committee will meet on a pre-determined schedule (but not less than monthly) basis to review the Program with respect to scope, schedule, budget, and financial plan. The Leadership Committee will provide guidance to the Terminal Planning Team and Program Manager (if appropriate), through the KCAD Program Director.
5. The Leadership Committee will review a monthly/quarterly schedule and cost report produced by the Terminal Planning Team and Program Manager and will authorize distribution of the report to KCAD and the Signatory Airlines.
6. At the completion of the process outlined in this Exhibit, the Leadership Committee will be supported by the Program Manager in the procurement and selection of future contractors to design and construct the improvements identified. Such process shall be defined as Phase II – Program Design and Implementation Procedures.

B. Terminal Workshops

1. KCAD and the Signatory Airlines agree to establish a terminal workshop schedule intended for the methodical assessment for future terminal area development.
2. Workshops will be held no less than monthly with specific agendas defined in advance so that all parties can consult and schedule subject matter experts on the agenda topics. It is expected that all parties and/or their consultants will prepare for the agenda items to be discussed.

C. Financial Feasibility of Alternatives

1. KCAD and the Signatory Airlines will jointly develop and agree upon the **Target Total Annual Airline Requirement** based upon the economics of MCI for the airline industry with specific assumptions regarding bond interest

rates, financing costs (e.g., funding of capitalized interest, debt service reserve, debt service coverage, underwriter fees, etc.), PFC levels, grant funding, and other factors. This target will be used to establish a “**Maximum Program Construction Cost**” to serve as an upper bound for construction costs to help guide the planning and review of terminal alternatives. In the event Congress allows for an increase in the PFC level, this Maximum Program Construction Cost may be adjusted accordingly.

2. The Signatory Airlines acknowledge that outstanding debt service will continue to be included in the airline rate base in the future and part of the Target Total Annual Airline Requirement.
3. Along with the development of the various alternatives, KCAD/Signatory Airlines will develop a preliminary analysis as to the baseline budget and affordability limits for the program.
4. Based on the terminal designs and associated cost estimates, KCAD/Signatory Airlines will develop a financial analysis which indicates the cost implications of each alternative.
5. The Signatory Airlines acknowledge that KCAD must be able to meet the rate covenant in the Master Bond Ordinance each year, and provisions in this Exhibit will not preclude KCAD from levying fees and charges in order to meet the rate covenant after consulting with the Signatory Airlines.

D. Terminal Program Development

1. In an effort to define the requirements for future terminal development, KCAD and the Signatory Airlines agree that the planning work performed to date by the Terminal Planning Team will be revisited and updated as necessary to reflect current conditions. The following planning elements will be reviewed:
 - a. Goals, Objectives, and Evaluation Criteria
 - b. Passenger and Operations Forecasts
 - c. Airfield/Apron/Deicing Requirements
 - d. Terminal Requirements
 - e. Landside Requirements
 - f. Maximum Program Construction Cost based on Section C above.
 - g. Other
2. There will be a reasonable number of ticket counters and gates included in the terminal requirements for charter operators, new entrants, and expanding incumbents.

3. A “**Programming Document**” will be produced by the Terminal Planning Team to define the programmatic requirements mutually agreed upon as a result of the KCAD/Signatory Airline workshops.
4. In the event of differences within the Leadership Committee and potentially among the Signatory Airlines themselves, a majority vote of the Leadership Committee will make the determination of facility requirements and the Terminal Development Program so long as the program is not expected to produce results that exceed the previously agreed to Target Annual Total Airline Requirement.

E. Terminal Development Alternatives

1. The Terminal Planning Team will lead the KCAD and the Signatory Airlines in the creation and evaluation of terminal area development alternatives.
2. The Terminal Planning Team will utilize the PCD developed through the workshop process in order to guide it through the planning process, ensuring that all requirements are addressed.
3. The Terminal Planning Team will develop various planning options of which, only two viable alternatives will be further developed. These alternatives shall only include:
 - a. Major renovation, expansion, or re-lifing of the existing terminal area
 - b. New terminal development within the current terminal area
4. Leadership Committee Workshops will be scheduled at regular intervals to provide guidance to the Terminal Planning Team.
5. The proposed alternative will include at a minimum:
 - a. Confirmation that it achieves projected Programming Document requirements (DBO+5).
 - b. Conceptual drawings in sufficient detail to define landside roadways and support structures, terminal plans, and airside layouts.
 - c. Written scope which generally describes proposed alternatives.
 - d. Conceptual program schedule and associated phasing.
 - e. Estimated program costs.

F. Terminal Alternative Selection

1. KCAD/Signatory Airlines will evaluate the alternatives.
2. Alternatives will be evaluated based upon:

- a. Compliance with programmatic requirements
 - b. Financial feasibility and affordability
 - c. Safety and Security Compliance
 - d. Customer Level of Service
 - e. Airport and Airline operational efficiency
 - f. Revenue Generation
 - g. Environmental Sustainability and Compliance
3. KCAD/Signatory Airlines will make a joint recommendation to the Mayor and City Council with respect to the Terminal Development Program including:
- a. Recommended Terminal Development Alternative
 - b. A proposed implementation plan, defined scope, schedule, budget, and financial plan.
4. Upon approval by City Council, KCAD and the Signatory Airlines will implement the second phase (Phase II – Program Design and Implementation Procedures) which includes, among other things:
- a. Work collaboratively, as permitted by law, to secure voter approval for the issuance of general airport revenue bonds.
 - b. Select Program Manager.
 - c. Decide upon the most appropriate project construction delivery method(s).
 - d. Work collaboratively on the selection of contractors for program delivery and associated process, which will be specified in either an amendment to the existing Airline Use and Lease Agreement or included in a new agreement.

G. Negotiation of Airline Use and Lease Agreement

1. Prior to finalization of the Recommended Terminal Development Alternative, KCAD and the Signatory Airlines will commence negotiations of an Airline Use and Lease Agreement to take effect upon the expiration of the existing Agreement.

H. Anticipated organizational relationships for these Terminal Project Procedures are as depicted below:

