

NORTHWEST REGIONAL AIRPORT AUTHORITY
COMMERCIAL AIR SERVICE INCENTIVE PLAN

Resolution No. 2024-___

Definitions:

“Airport” – The Northwest Regional Airport Authority.

“Airport Landing Fees” – Fees charged by the Airport to land at TVC, allocated by weight.

“Carrier” – an Existing Carrier or New Carrier.

“Commercial Service at TVC” – Scheduled air carrier service between TVC and one or more commercial service airports, which does not otherwise qualify as a Hub Service as defined below.

“Comprehensive Airport Fees” – Terminal Rent (Exclusive as applicable and Common Use Areas), Safety and Security Charges, Airport Landing Fees, and Overnight Parking Fees. Passenger Facility Charges (PFCs) and fuel flow fees shall not be waived or otherwise abated by this Incentive Plan and policy.

“Currently” – means the time immediately prior to the adoption of this policy.

“Existing Carrier” – An airline Currently providing Commercial Service at TVC ~~as of March 1, 2017~~; an airline whose operating partner(s) is Currently ~~was~~ providing Commercial Service at TVC ~~as of March 1, 2017~~; or a New Carrier (see below) that has provided commercial service at TVC for a continuing period of one year or more, regardless of the date that service began.

“Existing Non-Stop Route” –TVC to ATL, BOS, ORD, DTW, MSP, DEN, DFW, LGA, EWR, PHL, SFB, AZA, PGB, PIE, IAD, DCA or CLT.

“Hub Service” – The connection of commercial service at TVC by way of connection through an intermediate airport (“a Hub Airport”) which already exists ~~between an existing carrier or a New Carrier, and TVC.~~ For example, and not by way of limitation, TVC to TPA via DTW would constitute a Hub Service. As of the date of this policy, the current hubs served to and from TVC include: ORD, DTW, MSP, DEN, LGA, ATL, IAD, PHL, DCA, DFW, CLT, BOS, and EWR.

“Increase in Frequency”– An addition of new scheduled service by a Carrier ~~an Existing Carrier or a New Carrier~~ between TVC and an Existing Non-Stop Route ~~between October 15 and April 15 that was either (1) not operated during this unit of time between October 2018 and April 2019 by the Carrier or (2) that increases the number of scheduled flights to the an Existing Non-Stop Route operated by a Carrier~~ in at least three consecutive months of the year from the number of scheduled flights that were operated by the Carrier during the same three consecutive months of the year in the year immediately preceding the year in which the abatement is requested provided there is a significant net increase in seat capacity to the Existing Non-Stop Route ~~between October 2018 and April 2019.~~

“Marketing Incentive” – Airport funds directly paid to a marketing provider for advertising and promotion of a qualifying route or the Airport or paid by a Carrier for which the Carrier has

submitted an invoice to the Airport for incentive-related marketing with supporting documentation demonstrating the program promotes the use of the Airport or the service that meets any Category of incentive in this plan.

“New Carrier” – An airline that provides Commercial Service at TVC and is not an Existing Carrier operating at TVC as that term is defined.

“New Non-Stop Route” – A regularly scheduled air carrier route of an ~~Existing~~ Carrier between TVC and another airport, which route is not Currently ~~was not~~ operated by any airline ~~as of March 1, 2017; or a regularly scheduled air carrier route of a New Carrier between TVC and another airport, which route was not operated by the New Carrier on the date that the New Carrier began Commercial Service at TVC.~~ A New Non-Stop Route does not include air service through a Hub Service as defined below. Notwithstanding anything contained herein to the contrary, a route shall cease to be a New Non-Stop Route under the terms of this plan after it is operated by the Carrier for a period of two years, ~~unless otherwise authorized by the Airport in conjunction with objectives as set forth in a U.S. DOT Small Community Air Service Development Grant.~~

“New Seasonal Service” – The addition of a New Non-Stop Route by a Carrier that is offered for less than seven (7) months of the calendar year.

“New Service” – means a New Non-Stop Route, a New Carrier, ~~or an~~ Increase in Frequency, or New Seasonal Service.

“Notice” – Posting on the Airport’s Website at [insert link] and emailing or other form of communication to Carriers and aeronautical users of the Airport including the incentives offered, the program eligibility criteria, and identification of New Service.

“Operating Partner” – The term representing the relationship between a regional air carrier and a national air carrier in which the regional air carrier is contractually authorized to represent to the public that it is affiliated with the national air carrier and has a coordinated ticketing arrangement for the air traveling public.

“Rent and Safety Security Charges” – Space Rent, Safety and Security Charges charged by the Airport pursuant to the Operating/Lease Agreement.

“TVC” – Cherry Capital Airport, Traverse City, Michigan.

I. Category 1 – New Carrier:

The Airport will abate “Comprehensive Airport Fees” of a New Carrier for a period of one (1) year from the commencement of new Commercial Service at TVC by a New Carrier and will also provide a Marketing Incentive ~~the New Carrier with marketing funds and assistance with terminal improvements,~~ subject to Airport discretion and the availability of funds in its marketing budget.

II. Category 2 – New Non-Stop Route:

The Airport will abate “Comprehensive Airport Fees” as applicable relating to a New Non-Stop Route at TVC for a ~~n-Existing~~ Carrier for a period of two (2) years from the commencement of service and will also provide a Marketing Incentive ~~an Existing Carrier that operates a New Non-Stop Route with marketing funds,~~ subject to Airport discretion and the availability of funds in its

marketing budget.

III. Category 3 – Increase in Frequency to an Existing Non-Stop Route:

The Airport will abate “Comprehensive Airport Fees” as applicable relating to an Increase in Frequency by a Carrier to an Existing Non-Stop Route at TVC for a period of ~~two (2)~~ one (1) years provided that an abatement has not been previously granted to the Carrier by the Airport for any Increase in Frequency to the Existing Route by the Carrier and will also provide a Marketing Incentive ~~a Carrier that provides an Increase in Frequency to an Existing Non-Stop Route with marketing funds~~, subject to Airport discretion and the availability of funds in its marketing budget.

IV. Category 4 – New Seasonal Service.

The Airport will abate “Comprehensive Airport Fees” as applicable relating to New Seasonal Service for a period of three (3) consecutive seasons of service following the start of the New Seasonal Service provided that an abatement has not been previously granted to the Carrier by the Airport for the New Seasonal Service and will also provide a Marketing Incentive subject to Airport discretion and the availability of funds.

VI. Program Requirements

A Carrier seeking an abatement under this plan shall submit an application to the Airport on such form as required by the Airport and pay any fee established by resolution of the NRAA. The Airport reserves the right to terminate this plan at any time, at its discretion, upon notice to the carriers. However, New Carriers that execute an Operating/Lease Agreement with the Airport and commence service to/from TVC and Existing Carriers that establish New Non-Stop Routes prior to notification by the Airport that it has terminated this plan, will qualify for the abatement ~~under Category 1 and Category 2, respectively~~ as set forth in this plan, for the remaining period of abatement approved by the Airport.

VII. Other Provisions

A. Benefits Applicable for At Risk Airlines – Notwithstanding anything contained herein to the contrary, airlines operating at the financial risk of other airlines shall not qualify for or receive benefits under this plan. At Risk Airlines are those airlines which operate pursuant to a guarantee by a code carrier, with all benefits otherwise payable to the operating airline payable to the code carrier that is “At Risk” for said operations. In such event, at TVC, the airline and the code carrier shall notify the Airport of such arrangement. In the event that an airline operates pursuant to a guarantee by an entity other than an airline, no benefits shall be granted under this plan. Operating at TVC at the risk of a third party shall not cause an airline from qualifying for Category 2 benefits, if, in the future, such airline operates a New Non-Stop Route at its own financial risk, but only on those routes flown at its financial risk. This restriction may be waived at the sole discretion of the Chief Executive Officer if in the best interest of the Airport, or if the guarantee is provided pursuant to a U.S. DOT Small Community Air Service Development Grant.

B. Substitution of Operating Partners – Notwithstanding anything contained herein to the contrary, a regularly scheduled air carrier route of an Existing Carrier shall not be deemed to be a New Non-Stop Route due to the at risk airline substituting one operating partner for another, unless, at its sole discretion, the Chief Executive Officer believes that waiving this restriction is in the best interest of the Airport.

C. Enplanement Information – Airlines that wish to participate in this plan shall provide to the Airport, on a monthly basis, all enplanement figures at TVC. Enplanement figures should be broken down as applicable to distinguish between those associated with this plan and those that would be excluded. The Airport reserves the right to audit all information submitted.

D. Not a Contract – Notwithstanding anything contained herein to the contrary, this plan is not a contract, nor an amendment to the Operating/Lease Agreement. Rather, this plan is an incentive program designed to provide unilateral benefits to airlines to encourage additional enplanements and increase air service at TVC. Accordingly, although the Airport is, by publishing this plan, making a good faith effort to explain its intentions with respect to the terms and conditions of the plan, it is not obligated to any third party to implement this plan without further action and approval by the Airport. The Airport reserves the right to determine, in its sole discretion, airlines which may qualify for abatements, rebates, and marketing funds under this plan and any amounts of said abatements, rebates, and marketing funds, all of which will be set forth in a written contract between the Airport and the selected Airline in order to establish a binding contractual commitment.

E. Amendment – This Air Service Incentive Plan amends and replaces all prior Air Service Marketing Incentive Plans previously adopted by the Airport and which have by their terms expired except to the extent that the Airport approved an abatement to a Carrier or New Carrier or New Non-Stop route New Service under a prior Air Service Incentive Plan prior to adoption of this Plan and in that case, the Plan under which the Airport approved an abatement shall remain in effect for the remaining period of abatement or as otherwise approved by the Airport Board for such ~~New Carrier or~~ New Service.

F. Adoption Date – This Amendment is adopted this _____ day of _____, 2024, following Notice published on _____, 2024.