
SECOND AMENDMENT TO FORBEARANCE AND FUNDING AGREEMENT

BY AND AMONG:

**BRANSON AIRPORT, LLC,
BKG BRANSON AIRPORT, LLC,
BRANSON JETCENTER, LLC,
BRANSON LAND, LLC, AND
FLYBRANSON TRAVEL, LLC**

- AND -

UMB BANK, N.A., AS INDENTURE TRUSTEE

RELATED TO:

**THE BRANSON, MISSOURI, REGIONAL AIRPORT TRANSPORTATION DEVELOPMENT DISTRICT
AIRPORT REVENUE BONDS, SERIES 2007A AND SERIES 2007B**

SECOND AMENDMENT TO FORBEARANCE AND FUNDING AGREEMENT

THIS SECOND AMENDMENT TO FORBEARANCE AND FUNDING AGREEMENT (“Second Amendment”) is dated as of June 30, 2012 by and among **BRANSON AIRPORT, LLC** (the “Company”), **BKG BRANSON AIRPORT, LLC** (“BKG”), **BRANSON JETCENTER, LLC** (“JetCenter”), **BRANSON LAND, LLC** (“Branson Land”), **FLYBRANSON TRAVEL, LLC** (“Branson Travel”), and **UMB BANK, N.A.**, as indenture trustee for the Bonds described more particularly below (the “Bond Trustee”). Each of the Company, BKG, JetCenter, Branson Land, Branson Travel and the Bond Trustee may be referred to herein as a “Party” and, collectively, as the “Parties”.

RECITALS

WHEREAS, the Bond Trustee serves as indenture trustee for certain airport revenue bonds (“Bonds”) issued by The Branson, Missouri, Regional Airport Transportation Development District (the “Issuer”) pursuant to that certain Indenture of Trust dated as of June 1, 2007 (the “Indenture”) between the Issuer and the Bond Trustee, and proceeds of the Bonds were used in the construction and acquisition of a commercial airport near Branson, Missouri (“Airport”) by the Company; and

WHEREAS, there have occurred Events of Default relating to the Bonds based on, without limitation, the Company’s failure to pay or cause to be paid to the Bond Trustee amounts equal to the interest on the Bonds when such payments were due, including payments due on or before January 1, 2011, July 1, 2011 and January 1, 2012; and

WHEREAS, effective April 12, 2011, the Parties executed a Forbearance and Funding Agreement with respect to certain of the foregoing Events of Default and certain other potential Events of Default or defaults that with notice and/or the passage of time, or both, would constitute Events of Default with respect to the Bonds and related documents (the “Initial Forbearance and Funding Agreement”); and

WHEREAS, effective December 20, 2011, the Parties executed a First Amendment to Forbearance and Funding Agreement to amend the Budget, enplanement and average seats per day projections associated with the Initial Forbearance and Funding Agreement, amend certain Termination Events set forth in, and make certain other conforming amendments to, the Initial Forbearance and Funding Agreement (the “First Amendment” and, collectively with the Initial Forbearance and Funding Agreement, the “Forbearance and Funding Agreement”); and

WHEREAS, the Company has requested: (i) an extension of the term of the Forbearance and Funding Agreement; (ii) a further amendment to and extension of the Budget, enplanement and average seats per day projections associated with the Forbearance and Funding Agreement; (iii) a further amendment to certain Termination Events; and (iv) certain other conforming amendments to the Forbearance and Funding Agreement; and

WHEREAS, the Company has proposed to raise monies to support ongoing payment of Operating Expenses as a condition to the foregoing requests; and

WHEREAS, the Bond Trustee, its professionals, an aviation consultant retained by counsel to the Bond Trustee, and certain holders of the Bonds have evaluated the Company’s requests, and, based on that review and the direction and consent of holders of a majority in principal amount of the

Bonds Outstanding, the amendments described above are accepted, subject to the terms set forth in this Second Amendment,

NOW THEREFORE, in consideration of the consummation of the transactions contemplated by this Second Amendment, the mutual covenants and commitments set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I: GENERAL REPRESENTATIONS

1.1. RECITALS; DEFINED TERMS. The recitals set forth above are incorporated herein and form an integral part of this Second Amendment. Capitalized terms not specifically defined herein shall have the meanings provided in the Forbearance and Funding Agreement.

1.2. RATIFICATION OF FORBEARANCE AND FUNDING AGREEMENT; REPRESENTATIONS, ACKNOWLEDGEMENTS. The Company, BKG, JetCenter, Branson Land and Branson Travel each ratify all of their respective representations and acknowledgements set forth in the Forbearance and Funding Agreement. The Company, BKG, JetCenter, Branson Land and Branson Travel each acknowledge that the outstanding principal amount of the Bonds as of the date hereof is \$113,795,000. The Company, BKG, JetCenter, Branson Land and Branson Travel each acknowledge that: (i) each such Party is authorized to enter into this Second Amendment; (ii) all such Party's obligations under the Bond Documents, the Forbearance and Funding Agreement and each other Definitive Document to which it is a party constitute valid and binding obligations of such Party; (iii) each such Party's obligations under the Bond Documents, the Forbearance and Funding Agreement and each other Definitive Document to which is it a party are not subject to any defense, set-off, reduction, claim or counterclaim whether at law or in equity; (iv) this Second Amendment is a legal and binding obligation of each such Party; (v) a Priority Trigger Event (as defined in the Intercreditor Agreement between Branson Funding LLC and the Bond Trustee entered into in connection with the Forbearance and Funding Agreement) has occurred; (vi) one or more Termination Events have occurred; (vii) each such Party's representations and warranties in this Second Amendment are true and correct as of the date hereof, and shall survive the execution or termination of this Second Amendment; and (viii) the Bond Trustee has relied on the representations of each such Party as set forth in this Second Amendment. The Company, BKG, JetCenter, Branson Land and Branson Travel each reaffirms and ratifies its obligations under each Definitive Document to which it is a party, in each case as modified by this Second Amendment.

1.3. BOND DOCUMENT COVENANTS. The Company, BKG, JetCenter, Branson Land and Branson Travel each acknowledge that: (i) as of the date of this Second Amendment, the Events of Default described in the recitals are continuing; (ii) as of the date of this Second Amendment there may exist other Events of Default, or defaults that, with notice and/or the passage of time, would constitute Events of Default under various provisions of the Bond Documents; and (iii) there may in the future exist Events of Default, or defaults that, with notice and/or the passage of time, would constitute Events of Default under various provisions of the Bond Documents.

ARTICLE II: CERTAIN AMENDMENTS TO FORBEARANCE AND FUNDING AGREEMENT

2.1. AMENDED BUDGET; PROJECTED ENPLANEMENTS. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, all now existing Budgets and

schedules of projected enplanements associated with the Forbearance and Funding Agreement, including without limitation the Budget and schedule of projected enplanements attached to the Initial Forbearance and Funding Agreement as **Schedule 4.1** and the Budget and schedule of enplanements attached to the First Amendment are deleted in their entirety and replaced by the Budget prepared by the Company and attached hereto as **Exhibit 1**. The Bond Trustee's execution of this Second Amendment constitutes "prior written approval" of the Budget appearing as **Exhibit 1** within the meaning of **Section 4.3** of the Forbearance and Funding Agreement.

2.2. AVAILABLE SEATS PROJECTIONS. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, all now existing versions of **Schedules 11.1A and 11.1B** to the Forbearance and Funding Agreement (monthly projections for average number of seats per day by scheduled carriers and scheduled charter carriers), including versions of such schedules attached to the Initial Forbearance and Funding Agreement and attached to the First Amendment are deleted in their entirety and replaced by the revised **Schedule 11.1A** prepared by the Company and attached hereto as **Exhibit 2**. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, all references in the Forbearance and Funding Agreement to **Schedule 11.1A or Schedule 11.1B** shall be deemed to refer to **Schedule 11.1A**. The Bond Trustee's execution of this Second Amendment constitutes "prior written approval" of the schedule appearing as **Exhibit 2** within the meaning of **Section 13.17** of the Forbearance and Funding Agreement.

2.3. TERMINATION EVENTS. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, existing **Article XI** of the Forbearance and Funding Agreement is deleted in its entirety and replaced by the following:

11.1. TERMINATION EVENTS ON THREE BUSINESS DAYS' NOTICE.

The occurrence of any of the following shall constitute a "Termination Event" and the Bond Trustee's obligations to forbear under this Forbearance and Funding Agreement shall terminate, without any further action, three (3) Business Days after written notice to the Company and Guarantors of the occurrence of any of the following:

- (i) The payment or incurrence by the Company of any expense of a type not set forth in the Budget;
- (ii) The payment by the Company in any month of Operating Expenses exceeding the aggregate amount for such Operating Expenses set forth in the Budget in that month by more than twenty-five (25) percent (the "25 Percent Test"); provided that, to the extent the aggregate amount for the Operating Expenses set forth in the Budget for any month is not used, then such amount may be carried over and used, in whole or in part, in a subsequent month or months for purposes of the 25 Percent Test, subject to the limitation that except as provided below, any carry over amount may only be carried for three months for purposes of this **Section 11.1(ii)**. Notwithstanding the foregoing, the types of Operating Expenses set forth in the Budget under the headings

Insurance, Marketing and Warranty and Contract Enforcement and not used in any month may be carried over and used, in whole or in part, in a subsequent month or months for purposes of the 25 Percent Test without any limit as to the number of months such amounts may be carried over. Existing accounts payable as of the effective date of the Second Amendment reflected in note 1 of the Budget as attached to the Second Amendment, Operating Expenses of the type set forth in the Budget as “Extra Ordinary Marketing” (and any deposits, prepaid expenses or similar items associated therewith), and Operating Expenses added to the Budget pursuant to **Section 4.3** of this Forbearance and Funding Agreement shall not be included in the 25 Percent Test for any purpose;

- (iii) If any of the representations or warranties made under any Definitive Document or in any financial report delivered to the Bond Trustee by the Company or any Guarantor shall not have been true, accurate or complete in any material respect when made;
- (iv) Any announcement that a scheduled carrier or scheduled charter carrier serving the Airport will change its level of service to the Airport in a manner that, after accounting for other announced changes to levels of service to the Airport by scheduled carriers or scheduled charter carriers, if any, would reduce the average number of seats per day at the Airport from all scheduled carriers and scheduled charter carriers by more than fifty (50) percent below the Company’s projections set forth in **Schedule 11.1A** of this Forbearance and Funding Agreement for any month or by more than forty (40) percent below the Company’s projections set forth in such **Schedule 11.1A** for the first six (6) full months occurring after the announcement is made;
- (v) Any change by a scheduled carrier or scheduled charter carrier to the Airport in its level of service to the Airport that, after accounting for other announced or actual changes to levels of service by scheduled carriers or scheduled charter carriers to the Airport, if any, reduces the average number of seats per day at the Airport from all scheduled carriers and scheduled charter carriers by more than fifty (50) percent below the Company’s projections set forth in **Schedule 11.1A** of this Forbearance and Funding Agreement for any month or by more than forty (40) percent below the Company’s projections set forth in such **Schedule 11.1A** for the first 6 full months occurring after the change is made;
- (vi) The OAG or another reliable source reasonably acceptable to

the Bond Trustee does not reflect, as of the first day of any month, service to the Airport by scheduled carriers or scheduled charter carriers for the two month period commencing on that date that coincides with an average number of seats per day for that two month period that is at least fifty (50) percent of the Company projections set forth in **Schedule 11.1A** of this Forbearance and Funding Agreement;

- (vii) The Airport's failure to serve, in any month, at least fifty (50) percent of the enplaned passengers projected in the Budget for that period;
- (viii) The Company's failure to collect, in any month, at least fifty (50) percent of the Airport Revenues projected in the Budget; or
- (ix) The Company's failure to pay to the Bond Trustee in full in cash or good funds as and when due any payment described in **Section 9.5** of this Forbearance and Funding Agreement.

11.2. TERMINATION EVENTS ON TEN CALENDAR DAYS' NOTICE.

The Bond Trustee's obligations under this Forbearance and Funding Agreement shall terminate, without any further action, and a Termination Event shall occur on the tenth (10th) calendar day after written notice to the Company and Guarantors of any of the following:

- (i) A breach by the Company or any Guarantor of any covenant under this Forbearance and Funding Agreement or any other Definitive Document that is not subject to a specific Termination Event described in this Forbearance and Funding Agreement;
- (ii) Commencing 8.1.2012, the accounts payable for the Company, BKG and JetCenter (the "Operating Expenses Measuring Group") measured on a consolidated basis and as a trailing three (3) month average of end of month balances, exceed \$1,300,000; provided that, notwithstanding any other provision of this Forbearance and Funding Agreement, Operating Expenses of the type described in the Budget as "Extra Ordinary Marketing" and any deposits, prepaid expenses or similar items associated with the same shall not be included in the test described in this **Section 11.2(ii)** for any purpose;
- (iii) Commencing 11.1.2012, any Operating Expense of the type described in the Budget as "Extra Ordinary Marketing" (or any deposits, prepaid expenses or similar items associated

therewith) remains unpaid more than 65 days after receipt by the Company of an invoice for such Operating Expense or other written request for payment thereof;

- (iv) (w) any other material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), or financial condition of the Company or any Guarantor; (x) a material impairment of the ability of the Company or any Guarantor to perform their respective obligations under any Definitive Documents or Bond Documents to which it is a party; or (y) a material impairment of the rights and remedies of the Bond Trustee under the Definitive Documents or Bond Documents or a material adverse effect upon the legality, validity, binding effect or enforceability against the Company or any Guarantor of any Definitive Document or Bond Documents to which it is a party; all as determined solely but reasonably by the Bond Trustee,

provided, however, that if, prior to the expiration of such ten (10) day period, the Company and/or Guarantors cures such breach (in the case of an event described in (i), (ii) or (iii)) or remedies the condition to the reasonable satisfaction of the Bond Trustee (in the case of an event described in (iv)), no Termination Event based on a breach or condition described in this **Section 11.2** shall occur.

11.3. IMMEDIATE TERMINATION EVENTS. The Bond Trustee's obligations under this Forbearance and Funding Agreement shall terminate immediately and without notice to any Party, without any further action upon the occurrence of any of the following additional Termination Events:

- (i) The occurrence of an Insolvency Event involving the Company or any Guarantor. As used herein, "Insolvency Event" means the commencement of proceedings naming the Company or any Guarantor as a debtor under any chapter of the United States Bankruptcy Code, 11 U.S.C. § 101 et. seq., the commencement of receivership proceedings by any party other than the Bond Trustee naming the Company or any Guarantor or involving a substantial part of its property, the making of an assignment for the benefit of the relevant company's creditors, or any substantially similar event or proceeding involving the Company or any Guarantor;
- (ii) Any assertion by the Company or any Guarantor of the existence of any defense, setoff, reduction, claim or counterclaim, at law or in equity, with respect to the Advance, the Bonds, any Definitive Documents, or any Bond Documents; provided that nothing herein shall be in

derogation of any rights the Company or any Guarantor has under this Forbearance and Funding Agreement;

- (iii) The commencement by the Company or any Guarantor of any suit challenging the validity, enforceability, priority or extent of the Bond Trustee's liens, claims and/or interests with respect to the Advance, the Bonds, any Definitive Documents, or any Bond Documents;
- (iv) The sale, lease, or other disposition of all or a material portion of the assets of the Company or any Guarantor;
- (v) The occurrence and continuation beyond any applicable right of cure of any default by the Company under any air services agreement between the Company and a scheduled carrier or scheduled charter carrier providing for air service to the Airport (each an "Air Services Agreement");
- (vi) A breach by the Company of **Section 12.4** of this Forbearance and Funding Agreement; or
- (vii) 6.30.2013.

11.4. EFFECT OF OCCURRENCE OF TERMINATION EVENT. Upon the occurrence of a Termination Event, and except as otherwise expressly provided in this Forbearance and Funding Agreement: (a) the Bond Trustee's obligations under this Forbearance and Funding Agreement to forbear as described herein shall automatically terminate; (b) any unpaid principal and accrued but unpaid interest on the Advance shall be immediately due and payable in full, without demand, notice, or protest, all of which shall be expressly waived by the Company and Guarantors; and (c) the Bond Trustee may immediately commence enforcing its rights and remedies pursuant to the Definitive Documents, Bond Documents, applicable law and otherwise, in such order and manner as the Bond Trustee may determine appropriate in its discretion.

11.5. EXTENSION OF 6.30.2013 TERMINATION EVENT TO 9.30.2013. The Termination Event set forth in **Section 11.3(vii)** shall be amended and restated in its entirety to read "9.30.2013" if all of the following are met:

- (i) The Company shall have delivered to the Bond Trustee all financial reporting as described in **Section 7.1** of this Forbearance and Funding Agreement showing Airport Revenues, Pay for Performance Revenues, if any, and Operating Expenses, all on a cash basis, through 5.31.2013;

- (ii) Not earlier than 5.15.2013 or later than 6.15.2013, the Company delivers to the Bond Trustee: (x) a budget for the Airport for the period 7.1.2013 through 12.31.2013 in a form consistent with the Budget, containing projected enplanements for that same period, and with terms accepted by the Bond Trustee in its sole but reasonable discretion (the “Extended Budget”); and (y) a schedule of projected average number of seats per day for scheduled carriers and scheduled charter carriers for the period 7.1.2013 through 12.31.2013 prepared in a manner consistent with, and in a form consistent with **Schedule 11.1A** (the “Revised Schedules”);

- (iii) Not earlier than 5.15.2013 or later than 6.15.2013, the Company delivers to the Bond Trustee a projected cash flow analysis (“Cash Flow Analysis”) for the period 6.1.2013 through 10.31.2013 based on the following, each projected on a cash basis:
 - (a) a projection of Airport Revenues to be received in the period 6.1.2013 through 10.31.2013 based on actual flights and equipment reflected in the OAG or another reliable source acceptable to the Bond Trustee in its sole discretion as of 5.1.2013, and the average load factor and revenues-per-enplanement using the methodologies used by the Company in the ordinary course of its business as of the date of this Forbearance and Funding Agreement;
 - (b) a projection of Pay for Performance Revenues to be received in the period 6.1.2013 through 10.31.2013; and
 - (c) the Operating Expenses reflected in the Extended Budget for that same period;

- (iv) Not later than 6.15.2013, the Company delivers to the Bond Trustee an Officer’s Certificate demonstrating that based on the Cash Flow Analysis, the combination of Airport Revenues and Pay for Performance Revenues reflected therein exceed Operating Expenses therein on an aggregate basis; and

- (v) The Officer’s Certificate certifies that the Extended Budget, Revised Schedules and Cash Flow Analysis were prepared by the Company on a good faith basis, using an informed business judgment; and representing and warranting that, except for Designated Defaults that are subject to the forbearance described in this Forbearance and Funding Agreement, and except for other events addressed by **Section 6.5** of the Second Amendment, there exist no defaults under

the Bond Documents or Definitive Documents.

11.6. STATUS OF EXTENDED BUDGET / REVISED SCHEDULES. From and after acceptance by the Bond Trustee, the Extended Budget shall constitute the Budget for purposes of this Forbearance and Funding Agreement. From and after delivery to the Bond Trustee of the Revised Schedules, the Revised Schedules shall constitute **Schedule 11.1A** for purposes of this Forbearance and Funding Agreement.

11.7. EXTENSION OF SECTION 11.3(VII) TERMINATION EVENT TO 12.31.2013. The Termination Event set forth in **Section 11.3(vii)** of this Forbearance and Funding Agreement shall be amended and restated in its entirety to read “12.31.2013” if all of the following are met:

- (i) The Company shall have delivered to the Bond Trustee financial reporting as described in **Section 7.1** of this Forbearance and Funding Agreement showing, on a cash basis, actual Airport Revenues, Pay for Performance Revenues, if any, and Operating Expenses for the period 4.1.2013 through 8.30.2013 (the “Second Measuring Period Reports”);
- (ii) The Company shall have delivered to the Bond Trustee payment of not less than \$1,000,000 for deposit in certain under-funded reserves pursuant to the Bond Documents;
- (iii) Not later than 9.15.2013, the Company delivers to the Bond Trustee an Officer’s Certificate demonstrating that, when the Second Measuring Period Reports are examined on an aggregate basis, the combination of Airport Revenues and Pay for Performance Revenues reflected therein exceed Operating Expenses therein over the period covered by the Second Measuring Period Reports; and
- (iv) The Officer’s Certificate certifies that, except for Designated Defaults that are subject to the forbearance described in this Forbearance and Funding Agreement, and except for other events addressed by **Section 6.5** of the Second Amendment, there exist no defaults under the Bond Documents or Definitive Documents.

ARTICLE III: CERTAIN CONFORMING CHANGES

3.1. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, existing **Section 4.2** of the Forbearance and Funding Agreement is deleted in its entirety and replaced by the following:

4.2. PERMITTED EXCEPTIONS. Notwithstanding **Section 4.1** of this Forbearance and Funding Agreement, the Company shall be permitted limited authority to exceed amounts set forth in the Budget to pay Operating Expenses, but solely to the extent such a variance does not constitute a Termination Event described in **Section 11.1(ii)** of this Forbearance and Funding Agreement.

3.2. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, existing **Section 4.3** of the Forbearance and Funding Agreement is deleted in its entirety and replaced by the following **Section 4.3 and Section 4.4**:

4.3. EXIGENT CONDITION EXPENSES. The Company may amend, modify or revise the Budget to include additional Operating Expenses in an amount not to exceed \$500,000 in any 12 month period for the sole purpose of addressing maintenance, repair, or deficiency issues affecting the Airport's physical plant that are unanticipated, are discovered or occur after the time the Budget then in effect became effective, and constitute an actual or imminent threat to safety or operations at the Airport; provided the Company first delivers to the Bond Trustee: (i) an Officer's Certificate describing the maintenance, repair or deficiency, describing the threat to Airport safety or operations, certifying management's reasonable belief as to the actual or imminent nature of the threat and bases for that conclusion, the planned resolution, and the bases for selecting that resolution; and (ii) monies in the form of equity funding in the amount reflected in the amendment, modification or revision described in this **Section 4.3**. Examples of issues within the intent of this **Section 4.3** include, without limitation, unanticipated runway settlement that carriers conclude require repair in order for flights to continue to operate at the Airport and unanticipated repairs or upgrades required by the Federal Aviation Administration.

4.4. OTHER BUDGET AMENDMENTS; SCOPE. For the avoidance of doubt: (i) the Company may, from time to time, propose further amendments, modifications or revisions to the Budget, provided except as provided in **Section 4.3** of this Forbearance and Funding Agreement, no amendment, modification or revision to the Budget shall be effective absent prior written approval from the Bond Trustee in its sole but reasonable discretion; and (ii) except as otherwise expressly provided herein "Operating Expenses" include, for all purposes of this Forbearance and Funding Agreement, any other Definitive Document, the Bond Documents, and the Budget, and without limitation, expenses of the type described in the Budget as "Extra Ordinary Marketing" and any deposits, prepaid expenses or similar items associated with the same.

3.3. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, the last two sentences of existing **Section 6.3** of the Forbearance and Funding Agreement are deleted in their entirety and replaced by the following **Section 6.4**:

6.4. ADDITIONAL FUNDING. Notwithstanding any other provision or term of this Forbearance and Funding Agreement, the Company acknowledges and agrees that from and after the execution of this Forbearance and Funding Agreement, the Company shall at all times provide funds in the form of (a) equity funding or (b) subordinated indebtedness that is not secured by assets of the Company, BKG or JetCenter, is subject to subordination provisions as to enforcement of remedies against any Party on terms consistent with those found in the Intercreditor Agreement and otherwise satisfies the requirements for Subordinated Indebtedness, in such amounts and at such times that, together with Airport Revenues, are sufficient to avoid the occurrence of any Termination Event under **Section 11.1(ix), Section 11.2(ii), Section 11.2(iii) or Section 11.3(v)** of this Forbearance and Funding Agreement. Monies described in this **Section 6.4** shall be paid to the Bond Trustee for deposit in the Operating Fund and shall be remitted to the Company on presentation of an Officer's Certificate (which shall not be presented more than bi-monthly) to pay Operating Expenses reflected on the Budget and in the Officer's Certificate described in **Section 10.1 Third** (if any) for that month.

3.4. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, the following is added to the end of existing **Section 7.1** of the Forbearance and Funding Agreement

The financial reporting provided pursuant to this **Section 7.1** shall also include (i) information regarding the amount and timing of monies raised by the Company as described in **Section 6.4** of this Forbearance and Funding Agreement; and (ii) information necessary to monitor compliance with **Sections 11.2(ii) and 11.2(iii)** of this Forbearance and Funding Agreement. Further, the Company shall provide to the Bond Trustee copies of any notice asserting or declaring a default or event of default pursuant to any Air Services Agreement within two (2) Business Days after the Company's receipt thereof.

3.5. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, existing **Section 9.5** of the Forbearance and Funding Agreement is deleted in its entirety and replaced by the following:

9.5. No RE-BORROWING; REPAYMENT. Notwithstanding any other provision or term of this Forbearance and Funding Agreement, no amount or portion of the Advance may be re-borrowed after repayment is made to the Bond Trustee. Notwithstanding any other provision or term of this Forbearance and Funding Agreement, the Company shall make the following mandatory payments to be applied to the outstanding principal and interest due on the Advance:

Date:	Amount:
12.31.2012	\$250,000
3.1.2013	\$750,000

6.30.2013	Not less than the full amount of principal and interest then outstanding
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Amounts paid to the Bond Trustee under this **Section 9.5** shall be applied first to pay interest accrued but unpaid, and then principal outstanding on the Advance.

3.6. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, the following **Section 12.4** is added to the Forbearance and Funding Agreement

12.4. CERTAIN MATERIAL AGREEMENTS. The Company shall not amend, modify, revise, terminate or replace any Air Services Agreement without the prior written consent of the Trustee in its sole but reasonable discretion. The Company covenants that commencing 5.1.2013, not less than sixty (60) percent of the flights departing from and arriving at the Airport in any month pursuant to each Air Services Agreement in effect as of the date of the Second Amendment shall be provided by the principal branded service of the carrier(s) party thereto. The Company and the Bond Trustee will conduct good faith negotiations regarding compliance with the Company's obligations under the Bond Documents.

ARTICLE IV: GENERAL CONDITIONS TO EFFECTIVENESS

Notwithstanding any provision of this Second Amendment, or the Forbearance and Funding Agreement, the Bond Trustee's obligations, statements and representations under this Second Amendment are expressly conditioned upon the Bond Trustee's receipt of: (a) a copy of this Second Amendment executed by all Parties; and (b) an Officer's Certificate or Certificates from the Company, BKG, JetCenter, Branson Land and Branson Travel, on terms satisfactory to the Bond Trustee, certifying that each is duly authorized to enter into this Second Amendment. Absent the foregoing, this Second Amendment shall be no force or effect, and, as applied to the Bond Trustee, any agreements, statements or representations herein (including but not limited to those set forth in **Section 6.5** of this Second Amendment), shall be treated for all purposes as statements made in compromising or attempting to compromise disputed issues and not as a statement of any actual fact or conditions.

ARTICLE V: RELEASE

5.1. RELEASE. The Company, BKG, JetCenter, Branson Land and Branson Travel each hereby ratify the releases and release provisions set forth in the Initial Forbearance and Funding Agreement and First Amendment, and further release and forever discharge the Bond Trustee, each present and former holder of the Bonds (solely in their capacity as such), and each of their respective agents, employees, directors, officers, attorneys, professionals and advisors (collectively, the "Released Group") of and from all damage, loss, claims, demands, liabilities, obligations, actions and causes of action whatsoever which it may now have or claim to have against any such member of the Released Group as of the date of this Second Amendment, and whether presently known or unknown, and of every nature and extent whatsoever including, but not limited to, on account of or in any way concerning, arising out of, founded upon or in any way relating to the Airport, this

Second Amendment, the Forbearance and Funding Agreement, any other Definitive Document or the Bond Documents, including, but not limited to, all such loss or damage of any kind heretofore sustained, or that may arise as a consequence of the dealings between the Parties and any claims that it may in the future discover it would have now had if it had known facts not now known to it, whether founded in contract, in tort or pursuant to any other theory of liability (the “Released Matters”).

5.2. BINDING NATURE. The provisions, waivers and releases set forth in this **Article V** are binding upon the Company, BKG, JetCenter, Branson Land and Branson Travel and each of their respective members, trustees, directors, agents, employees, assigns and successors in interest. The provisions, waivers and releases of this **Article V** shall inure to the benefit of each member of the Released Group.

5.3. REPRESENTATIONS CONCERNING RELEASE. The Company, BKG, JetCenter, Branson Land and Branson Travel each represent and warrant that it is the sole and lawful owner of all right, title and interest in and to all of the claims released by it hereby and it has not heretofore voluntarily, by operation of law or otherwise, assigned or transferred or purported to assign or transfer to any person any such claim or any portion thereof.

5.4. SURVIVAL. The provisions of this **Article V** shall survive payment in full of the amounts owed by the Company for the Advance, full performance of all the terms of the Definitive Documents and the Bond Documents, and any exercise of the Bond Trustee’s remedial actions under the Bond Documents or otherwise.

ARTICLE VI: ADDITIONAL TERMS

6.1. VOLUNTARY ACTION. The Company, BKG, JetCenter, Branson Land and Branson Travel each hereby acknowledge and agree that (a) it has read and understands the contents of this Second Amendment, (b) it has had the opportunity to consult with counsel of its choice throughout all of the negotiations that preceded the execution of this Second Amendment, and (c) it has acted voluntarily and without duress in connection with the execution and delivery of this Second Amendment after reviewing and understanding each provision of such documents and without reliance upon any promise or representation of any person or persons acting for or on behalf of the Bond Trustee.

6.2. CONSTRUCTION. This Second Amendment shall be deemed to have been negotiated and prepared at the joint request, direction and construction of the Parties, at arm’s length, and be interpreted without favor to any Party.

6.3. CERTAIN DISCLOSURES. Upon execution of this Second Amendment by all Parties, the Bond Trustee may post this Second Amendment, including all Schedules and Exhibits attached hereto, on the Electronic Municipal Market Access Service (available at www.emma.msrb.org) and, for the avoidance of doubt, the Bond Trustee shall be authorized to issue one or more notices to holders of the Bonds disclosing the existence of this Second Amendment and its material terms.

6.4. EFFECT OF SECOND AMENDMENT; DEEMED AMENDMENT OF DEFINITIVE DOCUMENTS. The Company, BKG, JetCenter, Branson Land and Branson Travel each acknowledge and agree that, except as modified by this Second Amendment, all terms of the Forbearance and Funding Agreement remain in full force and effect. Effective upon the satisfaction of the conditions

set forth in **Article IV** of this Second Amendment, and without any further act by any Party: (i) all references in any Definitive Document to the Forbearance and Funding Agreement shall be deemed to refer to the Forbearance and Funding Agreement and this Second Amendment; and (ii) any references in any Definitive Document to Company Funding, the Budget, projected enplanements, projections of available seats, **Schedules 4.1 or 11.1A or 11.1B** to the Forbearance and Funding Agreement and/or Termination Events shall be deemed to refer to those terms, documents, projections, and schedules (as the case may be) as modified, amended, supplemented, substituted, and/or restated by this Second Amendment.

6.5. TERMINATION EVENTS AS OF DATE OF SECOND AMENDMENT. Effective upon the satisfaction of the conditions set forth in **Article IV** of this Second Amendment, the execution of this Second Amendment by all Parties shall be treated as an agreement that as of the date first set forth above, there has not occurred a Termination Event, or event that with notice, the passage of time, and/or both, would constitute a Termination Event under the Forbearance and Funding Agreement. For the avoidance of doubt, nothing herein shall be deemed to prevent, hasten, delay or otherwise affect the occurrence or non-occurrence of any Termination Event on or after the date of this Second Amendment, or the rights of the Bond Trustee under the Forbearance and Funding Agreement with respect to the same.

6.6. FURTHER ASSURANCES. The Company, BKG, JetCenter, Branson Land and Branson Travel will each, at its sole cost and expense, perform all acts and execute all documents reasonably requested by Bond Trustee from time to time to carry out the provisions and purposes of this Second Amendment.

6.7. TIME IS OF THE ESSENCE. Time shall be of the essence with respect to each and every of the various undertakings and obligations set forth in this Second Amendment.

6.8. EXECUTION. This Second Amendment and any amendments, waivers, consents or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement. Facsimile or PDF signatures on this Second Amendment shall be treated as original signatures for all purposes.

6.9. JURY WAIVER. THE COMPANY, BKG, JETCENTER, BRANSON LAND AND BRANSON TRAVEL EACH HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION, SUIT OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS UNDER THIS SECOND AMENDMENT, ARISING FROM OR RELATING TO ANY RELATIONSHIP EXISTING IN CONNECTION WITH THIS SECOND AMENDMENT, AND AGREES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THAT ANY SUCH ACTION, SUIT OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY

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IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the date first above written.

BRANSON AIRPORT, LLC

BY: _____
NAME: Stephen Peet
TITLE: CEO

FLYBRANSON TRAVEL, LLC

BY: _____
NAME: Stephen Peet
TITLE: CEO

BRANSON JET CENTER, LLC

BY: _____
NAME: Stephen Peet
TITLE: CEO

BRANSON LAND, LLC

BY: _____
NAME: Stephen Peet
TITLE: CEO

BKG BRANSON AIRPORT, LLC

BY: _____
NAME: Stephen Peet
TITLE: CEO

UMB BANK, N.A., as indenture trustee

BY: _____
NAME: _____
TITLE: _____

IN WITNESS WHEREOF, the Parties have executed this Second Amendment as of the date first above written.

BRANSON AIRPORT, LLC

BY: _____
NAME: _____
TITLE: _____

FLYBRANSON TRAVEL, LLC

BY: _____
NAME: _____
TITLE: _____

BRANSON JETCENTER, LLC

BY: _____
NAME: _____
TITLE: _____

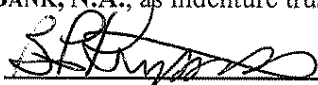
BRANSON LAND, LLC

BY: _____
NAME: _____
TITLE: _____

BKG BRANSON AIRPORT, LLC

BY: _____
NAME: _____
TITLE: _____

UMB BANK, N.A., as indenture trustee

BY: 
NAME: Brian P. Krippner
TITLE: Senior Vice President

ACKNOWLEDGMENT

STATE OF RI)
) SS.
COUNTY OF WASHINGTON)

On this 19th day of July, 2012, before me, the undersigned, a Notary Public, appeared Stephen M. Peet, to me personally known, who, being by me duly sworn, did say that he is the CEO of **BKG BRANSON AIRPORT, LLC**, a Missouri limited liability company, and that said instrument was signed in behalf of said company by authority of its CEO, and said CEO acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said Company as duly authorized by its managers.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Donna A. Greene
Notary Public - State of RI
Printed Name: DONNA A. GREENE

My commission expires:

3/2/2014

ACKNOWLEDGMENT

STATE OF RI)
) SS.
COUNTY OF WASHINGTON)

On this 19th day of July, 2012, before me, the undersigned, a Notary Public, appeared Stephen M. Peet, to me personally known, who, being by me duly sworn, did say that he is the CEO of **BRANSON JETCENTER, LLC**, a Missouri limited liability company, and that said instrument was signed in behalf of said company by authority of its CEO, and said CEO acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company as duly authorized by its managers.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Donna A. Greene
Notary Public - State of RI
Printed Name: DONNA A. GREENE

My commission expires:

3/2/2014

ACKNOWLEDGMENT

STATE OF RI)
)
COUNTY OF WASHINGTON) SS.

On this 19th day of July, 2012, before me, the undersigned, a Notary Public, appeared Stephen M. Peet, to me personally known, who, being by me duly sworn, did say that he is the CEO of FLYBRANSON TRAVEL, LLC, a Missouri limited liability company, and that said instrument was signed in behalf of said company by authority of its CEO, and said CEO acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company as duly authorized by its managers.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Donna A Creech
Notary Public - State of RI
Printed Name: DONNA A CREECH

My commission expires:
3/2/2017

ACKNOWLEDGMENT

STATE OF _____)
) SS.
COUNTY OF _____)

On this ____ day of July, 2012, before me, the undersigned, a Notary Public, appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ of UMB BANK, N.A., a national bank association, in its capacity as indenture trustee, and that said instrument was signed in behalf of said company in its capacity as indenture trustee, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company, as indenture trustee, as duly authorized.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public - State of _____
Printed Name: _____

My commission expires:

ACKNOWLEDGMENT

STATE OF _____)
) SS.
COUNTY OF _____)

On this ___ day of July, 2012, before me, the undersigned, a Notary Public, appeared Stephen M. Peet, to me personally known, who, being by me duly sworn, did say that he is the CEO of FLYBRANSON TRAVEL, LLC, a Missouri limited liability company, and that said instrument was signed in behalf of said company by authority of its CEO, and said CEO acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company as duly authorized by its managers.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.

Notary Public - State of _____
Printed Name: _____

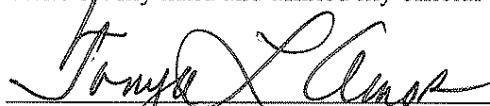
My commission expires:

ACKNOWLEDGMENT

STATE OF MISSOURI)
) SS.
COUNTY OF SAINT LOUIS)

On this 19th day of July, 2012, before me, the undersigned, a Notary Public, appeared Brian P Krippner, Sr. Vice President of UMB BANK, N.A., a national bank association, in its capacity as indenture trustee, and that said instrument was signed in behalf of said company in its capacity as indenture trustee, and said officer acknowledged said instrument to be executed for the purposes therein stated and as the free act and deed of said company, as indenture trustee, as duly authorized.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Notary Public - State of Missouri
Printed Name: Tonya L Amos

My commission expires:

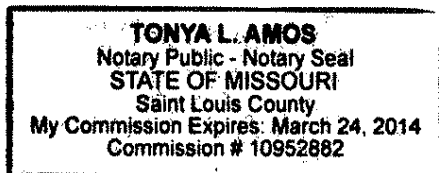


Exhibit 1

Branson Airport LLC
Cash Based Budget

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Total</u>
Enplanements	14,813	13,374	13,585	14,061	9,697	6,856	3,661	3,338	4,105	10,050	17,884	22,083	133,507
Operating Revenues													
BKG	649,288	718,992	704,335	676,122	651,259	611,359	427,030	293,870	202,302	231,993	357,772	639,764	6,164,086
Jet Center	55,735	44,780	36,700	48,648	43,902	26,291	17,437	20,488	37,557	25,813	37,954	50,639	445,943
Total Operating Revenues	705,023	763,772	741,035	724,769	695,161	637,650	444,467	314,358	239,859	257,807	395,726	690,403	6,610,029
Payroll & Benefits	171,929	247,894	172,125	159,822	157,438	139,511	204,184	156,623	154,376	167,294	177,385	193,631	2,102,211
Airport Ops & Maintenance	48,226	59,206	54,406	68,926	70,846	90,456	58,045	83,564	70,687	70,130	48,611	51,264	774,364
Equipment Leasing	87,369	87,369	84,096	69,393	70,593	70,574	61,520	59,520	58,320	58,320	58,319	57,950	823,343
Insurance	31,525	31,640	30,580	31,525	30,580	4,186	5,131	4,186	43,208	51,057	28,400	33,034	325,051
Marketing	47,745	54,865	50,835	50,745	51,865	54,440	54,865	33,931	24,822	25,791	27,035	24,383	501,322
Warranty & Contract Enforcement	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
FBO	2,472	3,214	2,472	2,472	3,214	4,017	5,562	5,071	5,071	3,607	3,310	2,546	43,028
Administration & Overhead	53,649	59,823	89,613	103,003	84,525	141,744	70,054	80,586	114,086	82,313	67,886	64,703	1,011,983
Total Operating Expenses (1)	452,914	554,010	494,126	495,884	479,060	514,928	469,360	433,481	480,569	468,512	420,946	437,511	5,701,301
Net Operating Cash	252,108	209,762	246,908	228,885	216,101	122,722	(24,893)	(119,124)	(240,710)	(210,705)	(25,220)	252,893	908,727
Extra Ordinary Marketing	820,000	824,000	3,140,388	577,000	449,000	421,000	272,000	115,000	137,000	128,000	97,000	26,000	7,006,388
Net Cash Flow	(567,892)	(614,238)	(2,893,480)	(348,115)	(232,899)	(298,278)	(296,893)	(234,124)	(377,710)	(338,705)	(122,220)	226,893	(6,097,661)

Waterfall Projection

Revenue Fund													
Beginning balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Revenues for deposit to Revenue Fund	705,023	763,772	741,035	724,769	695,161	637,650	444,467	314,358	239,859	257,807	395,726	690,403	6,610,029
Transfers to Operating Fund	(705,023)	(763,772)	(741,035)	(724,769)	(695,161)	(637,650)	(444,467)	(314,358)	(239,859)	(257,807)	(395,726)	(463,511)	(6,383,136)
Transfer to Debt Service Fund	0	0	0	0	0	0	0	0	0	0	0	(226,893)	(226,893)
Ending Balance	0	0	0	0	0	0	0	0	0	0	0	0	0
Operating Fund (1) (2)													
Beginning Balance	8,409	(1,074,379)	(1,688,617)	(4,582,097)	(4,930,212)	(5,163,111)	(5,711,389)	(6,008,281)	(6,242,405)	(7,370,116)	(7,708,821)	(7,831,041)	8,409
6/30/12 AP	(514,896)												(514,896)
Transfers from Revenue Fund	705,023	763,772	741,035	724,769	695,161	637,650	444,467	314,358	239,859	257,807	395,726	463,511	6,383,136
Investor Group Infusions													0
Transfers (to)/from DS Fund	0	0	0	0	0	(250,000)	0	0	(750,000)	0	0	(1,196,502)	(2,196,502)
Operating Expense Payments	(1,272,914)	(1,378,010)	(3,634,514)	(1,072,884)	(928,060)	(935,928)	(741,360)	(548,481)	(617,569)	(596,512)	(517,946)	(463,511)	(12,707,689)
Ending Balance	(1,074,379)	(1,688,617)	(4,582,097)	(4,930,212)	(5,163,111)	(5,711,389)	(6,008,281)	(6,242,405)	(7,370,116)	(7,708,821)	(7,831,041)	(9,027,543)	(9,027,543)
Debt Service Fund													
Beginning balance	3,820,379	3,812,879	3,805,379	3,797,879	3,790,379	3,782,879	3,998,379	577,029	569,529	562,029	554,529	547,029	3,820,379
Pay for Performance, Contract Contributions						223,000							621,117
Fees and Expenses (Trustee, Counsel, Consultants)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(7,500)	(90,000)
Bond Payments							(3,413,850)						(3,413,850)
Transfers from Revenue Fund	0	0	0	0	0	0	0	0	0	0	0	226,893	226,893
Transfers (to)/from Operating Fund	0	0	0	0	0	250,000	0	0	750,000	0	0	1,196,502	2,196,502
Transfers (to) Advances						(250,000)			(750,000)			(1,196,502)	(2,196,502)
Debt Service Fund EoM Bal	3,812,879	3,805,379	3,797,879	3,790,379	3,782,879	3,998,379	577,029	569,529	562,029	554,529	547,029	1,164,539	1,164,539

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Total</u>
Projections Regarding Advances													
Beginning Principal Balance (Prior Advance):	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
Beginning Principal Balance (Advance):	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,405,984	1,405,984	1,405,984	681,001	681,001	681,001	1,500,000
Transfers (to)/from Advance to Operating Fund	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers from Revenue Fund to Debt Service Fund and deemed applied to Advance Principal						(94,016)			(724,983)			(681,001)	(1,500,000)
Transfer from Revenue Fund to Debt Service Fund and deemed applied to Prior Advance Principal												(500,000)	(500,000)
Ending Principal Balance (Prior Advance + Advance):	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	1,905,984	1,905,984	1,905,984	1,181,001	1,181,001	1,181,001	0	0
Beginning Interest Balance (Advance):	70,658	77,221	83,784	90,347	96,910	103,473	0	6,151	12,302	0	2,979	5,958	70,658
Accrued Interest - Advance	6,563	6,563	6,563	6,563	6,563	6,563	6,151	6,151	6,151	2,979	2,979	2,979	66,768
Interest Paid						(110,036)			(18,453)			(8,937)	(137,426)
Ending Interest Balance (Advance):	77,221	83,784	90,347	96,910	103,473	0	6,151	12,302	0	2,979	5,958	0	0
Beginning Interest Balance (Prior Advance):	32,820	35,008	37,196	39,384	41,572	43,760	0	2,188	4,376	0	2,188	4,376	32,820
Accrued Interest - Prior Advance	2,188	2,188	2,188	2,188	2,188	2,188	2,188	2,188	2,188	2,188	2,188	2,188	26,256
Interest Paid						(45,948)			(6,564)			(6,564)	(59,076)
Ending Interest Balance (Prior Advance):	35,008	37,196	39,384	41,572	43,760	0	2,188	4,376	0	2,188	4,376	0	0

(1) Budgeted operating expenses do not include past due accounts payable existing at July 1, 2012 which total \$514,896. These items will be paid during the current budget period and are presented as a reduction from the Operating Fund.

(2) Negative balances to be funded by company in accordance with section 6.4 of the Forbearance & Funding Agreement.

Exhibit 2

Branson Airport, LLC
Monthly Projections for Average Number of Seats per Day by Scheduled Carriers and
Scheduled Charter Carriers at Branson Airport
Budget Dated July 1, 2012

	2012						2013					
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Projected Average Number of Seats per Day	665.2	645.8	645.0	631.7	448.5	287.4	171.5	173.1	175.3	488.4	781.0	1,005.7