



UPDATE CONCERNING AIRPORT STRATEGIC PROCESS;
NOTICE TO BONDHOLDERS OF:
(I) PROPOSED GLOBAL SETTLEMENT, (II) MANAGEMENT CALL
(NOTICE #34)

THE BRANSON, MISSOURI, REGIONAL AIRPORT TRANSPORTATION DEVELOPMENT DISTRICT
AIRPORT REVENUE BONDS (BRANSON, MISSOURI AIRPORT PROJECT)
SERIES 2007A AND SERIES 2007B (THE “BONDS”)

*CUSIPS: 105459AA9, 105459AB7, 105459AC5

Please forward this Notice to beneficial holders.

UMB Bank, National Association serves as bond trustee (“Bond Trustee”) for the holders of the above-referenced Bonds pursuant to that certain Indenture of Trust dated as of June 1, 2007 (the “Indenture”) between the Branson, Missouri Regional Airport Transportation Development District (the “Issuer”) and the Bond Trustee. Obligations of Branson Airport, LLC (the “Company”), and two wholly-owned subsidiaries of the Company, BKG Branson Airport, LLC and Branson JetCenter, LLC are a primary source for the payment of principal, premium, if any, interest, and other amounts relating to the Bonds. The Bonds are secured by, among other things, real and personal property interests held by the Company, including, without limitation, the Company’s leasehold in a commercial airport located near Branson, Missouri (the “Airport”). The Indenture and other documents evidencing the Bonds and/or the Company’s obligations associated with the Bonds are described herein as the “Bond Documents”.¹ Bondholders were informed in multiple prior notices that Events of Default have occurred under the Bond Documents.

This Notice is to update Bondholders regarding the Company’s ongoing strategic alternatives process, described in prior notices to Bondholders, with respect to the Airport and the Bonds. As set forth more fully below, that process has led to a proposed global settlement, supported by holders of a majority in principal amount of the Bonds outstanding, to resolve the Company’s longstanding Events of Default. As is also set forth more fully below, management of the Company is holding a management call open to all Bondholders and market participants on December 19, 2017 to review recent performance

¹ Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in the Indenture.

of the Airport, the Airport's go-forward business plan, and the proposed settlement described in this Notice.

STRATEGIC PROCESS UPDATE; GLOBAL SETTLEMENT PROPOSAL

A global settlement supported by holders of a majority in principal amount of the Bonds outstanding has been proposed to resolve longstanding Events of Default under the Bond Documents (the "Global Settlement"). If consummated, the Global Settlement would provide Bondholders new debt and a majority of the equity in the Company in full satisfaction of the existing Bonds and related Bond Documents. The Global Settlement would also provide the Company up to \$3 million of working capital to pursue its business plan.

Prior notices have informed Bondholders of financial distress at the Airport throughout the period the Airport has been in service. That financial distress has prevented the Company from paying scheduled debt service to Bondholders since 2011. Bondholders have in that time received a single interim payment in 2016 from extraordinary proceeds the Company received. The Airport has during this same period reported a single calendar year where operating income exceeded operating expenses (2013). When total expenses are included, the Company has reported an overall net loss every year since the Airport opened in 2009. Multiple prior notices reflect multiple efforts by the Company to attract sustained air service to the Airport from legacy carriers, low cost carriers, and scheduled charter carriers.

The proposed Global Settlement is a reflection of ongoing efforts by the Company - described in notices to Bondholders - to explore strategic alternatives with respect to the Airport and Bonds given the Airport's operating history and prospects. Those notices reflect that the Company retained ICF SH&E as financial advisor in the spring of 2017, and the Company's financial advisor prepared an assessment of the Company's prospects, including its go-forward business plan.

The proposed Global Settlement is also a reflection of ongoing discussions between the Company, a working group comprised of holders of a majority in principal amount of the Bonds outstanding (the "Majority Holder Group") and the Trustee. Prior notices have reminded Bondholders that the Bond Trustee has remained in contact with the Majority Holder Group and invited all Bondholders to join the Majority Holder Group and otherwise contact the Bond Trustee.

Certain principal terms of the Global Settlement are described in a related term sheet (the "Settlement Term Sheet"). As set forth more fully in the Settlement Term Sheet, the Global Settlement would if consummated provide each Bondholder with the following in full satisfaction of the Company's and its affiliates' obligations regarding the Bonds and Bond Documents:

- A pro rata share of new "Series A Bonds", in the principal amount of \$32.5 million, and with the attributes described in the Settlement Term Sheet;
- A pro rata share of 65 percent of the equity of the Company and its affiliates BKG Branson Airport, LLC, Branson JetCenter, LLC, FlyBranson Travel, LLC and Branson Land, LLC (collectively, the "Airport Parties"); and

- Opportunities to invest in \$3 million of new “Series B Bonds” and a pro rata share of an additional 23 percent of the equity of the Airport Parties to provide the Company working capital. The Series B Bonds would have a liquidation preference over the Series A Bonds if the Company is liquidated while principal, interest or other fees or charges remain outstanding on the Series B Bonds.

The Global Settlement is intended to also resolve the Airport Parties approximately \$18 million of legacy funded sub-debt. The Settlement Term Sheet contemplates that 12 percent of the equity of the Airport Parties which may take the form of warrants will be allocated to management and sub-debt holders.

Bondholders are encouraged to review the Settlement Term Sheet in its entirety. Bondholders and market participants that desire a copy of the Settlement Term Sheet or the assessment described in this Notice should contact the Bond Trustee or its counsel using the information found in this Notice below. Bondholders should not rely solely on the foregoing summary.

The Global Settlement remains subject to material conditions precedent. It cannot be determined with certainty whether or when the transactions contemplated by the Global Settlement will be implemented.

IMPLEMENTATION PROCESS

Before the Global Settlement can be implemented, the Bond Trustee, acting at the direction of the Majority Bondholders, intends to seek the entry of a court order in an anticipated trust instruction proceeding, which has jurisdiction over the trust estate for the Bonds.

The trust instruction proceeding will seek authority to approve and confirm the Bond Trustee’s efforts to consummate the transactions contemplated by the Settlement Term Sheet. The Bond Trustee intends to issue one or more separate notices concerning the implementation process, including notices detailing key dates and deadlines associated with that process. Bondholders may wish to consult with counsel of their choosing regarding the matters described in this Notice.

MANAGEMENT CALL

The Company will be hosting a management call on December 19, 2017, at 3:00 p.m. eastern time at which the Company is expected to present the Global Settlement. This call will be open to Bondholders and market participants.

Bondholders and market participants that desire to participate in the December 19, 2017 management call should contact the Bond Trustee, or its counsel, using the contact information below, for dial in information.

ADDITIONAL INFORMATION

The Bond Trustee intends to issue periodic notices to holders regarding certain matters relevant to the Bonds. Bondholders who wish to receive future notices directly may do so by contacting the Bond Trustee. Certain information relevant to the Bonds is available from the MSRB's "EMMA Service" (www.emma.msrb.org). The Bond Trustee is not responsible for the maintenance or accuracy of the EMMA Service, however, and makes no representations or warranties with respect thereto. Holders should not rely on the Bond Trustee as their sole source of information, but the Bond Trustee welcomes inquiries from Bondholders that desire more information or wish to participate in discussions with the Bond Trustee.

As is reflected in prior notices, the Bond Trustee has retained the law firm of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. and specifically William W. Kannel and Ian A. Hammel of that firm to assist it in matters relevant to the Bonds. Mr. Kannel's phone number is 617.348.1665 and his e-mail address is wwkannel@mintz.com. Mr. Hammel's phone number and email address are 617.348.1724 and iahammel@mintz.com.

Holders with questions regarding this notice should direct them in writing to Laura Roberson, Senior Vice President, UMB Bank, National Association at 2 South Broadway, Suite 600, St. Louis, Missouri 63102, by email at laura.roberson@umb.com or through the Bond Trustee's counsel as identified above. The Bond Trustee may conclude that a specific response to particular inquiries from individual holders is not consistent with equal and full dissemination of information to all holders. The Bond Trustee makes no recommendations and gives no investment or tax advice.

UMB BANK, NATIONAL ASSOCIATION,
As Bond Trustee

DECEMBER 8, 2017

*The Bond Trustee is not responsible for the selection or use of these CUSIPs. They are included solely for holder convenience.