

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law (i) assuming continuing compliance with certain covenants and the accuracy of certain representations, interest on the Series 2016 Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Series 2016 Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Interest on the Series 2016 Bonds may be subject to certain federal taxes imposed only on certain corporations, including the corporate alternative minimum tax on a portion of that interest. For a more complete discussion of the tax aspects, see “TAX MATTERS” herein.



\$108,120,000
City of Cleveland, Ohio
Airport System Revenue Bonds
Series 2016A (Non-AMT)

\$36,235,000
City of Cleveland, Ohio
Airport System Revenue Bonds
Series 2016B (Non-AMT)
(Forward Delivery)

Dated: Date of Delivery

Due: January 1, as shown on inside cover

The Airport System Revenue Bonds, Series 2016A (Non-AMT) (the “Series 2016A Bonds”) and the Airport System Revenue Bonds, Series 2016B (Non-AMT) (Forward Delivery) (the “Series 2016B Bonds, and together with the Series 2016A Bonds, the “Series 2016 Bonds”) are special obligations of the City of Cleveland, Ohio (the “City”) issued under the Indenture (as defined herein) between the City and The Bank of New York Mellon Trust Company, N.A., Cleveland, Ohio, as trustee (the “Trustee”).

The Series 2016A Bonds will be issued to provide funds to advance refund a portion of the City’s outstanding Airport System Revenue Bonds, Series 2000C (the “2000C Refunded Bonds”) and to pay certain costs of issuance relating to the issuance of the Series 2016A Bonds and the refunding of the 2000C Refunded Bonds. The Series 2016B Bonds will be issued to provide funds to currently refund a portion of the City’s outstanding Airport System Revenue Bonds, Series 2006A (the “2006A Refunded Bonds”) and to pay certain costs of issuance relating to the issuance of the Series 2016B Bonds and the refunding of the 2006A Refunded Bonds. See “INTRODUCTION – Plan of Finance.” The Series 2016 Bonds are payable from and secured under the Indenture on a parity with other series of outstanding Revenue Bonds and any Additional Revenue Bonds solely by a pledge of and a lien on the Airport Revenues and the Special Funds established under the Indenture, all as more fully described herein. See “SECURITY FOR THE SERIES 2016 BONDS.” The Series 2016B Bonds are being sold on a forward delivery basis with expected delivery on or about October 4, 2016. See “CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE SERIES 2016B BONDS.”

Interest on the Series 2016 Bonds is payable each January 1 and July 1 (each, an “Interest Payment Date”), beginning July 1, 2016 for the Series 2016A Bonds and beginning January 1, 2017 for the Series 2016B Bonds, to the bondholders of record at the close of business on the 15th day next preceding each Interest Payment Date. The Series 2016 Bonds are subject to redemption prior to maturity, as described herein. See “DESCRIPTION OF THE SERIES 2016 BONDS – Redemption Provisions.”

The scheduled payment of principal of and interest on the Series 2016 Bonds when due will be guaranteed under separate insurance policies (each a “Policy” and collectively, the “Policies”) to be issued concurrently with the delivery of the Series 2016 Bonds by Assured Guaranty Municipal Corp. See “BOND INSURANCE” herein and APPENDIX E hereto.



The Series 2016 Bonds will be initially issued as fully registered bonds under a book-entry system, and will be registered initially in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of book-entry interests in the Series 2016 Bonds will be made in denominations of \$5,000 and integral multiples thereof. DTC, or its nominee, will receive all payments with respect to the Series 2016 Bonds from the Trustee. DTC is required by its rules and procedures to remit such payments to participants in DTC for subsequent disbursement to the owners of book-entry interests. Owners of book-entry interests in the Series 2016 Bonds will not receive physical delivery of bond certificates. See “APPENDIX C – BOOK-ENTRY ONLY SYSTEM” hereto.

The Series 2016 Bonds will be special obligations of the City. Payment of debt service charges on the Series 2016 Bonds will be secured solely by the Airport Revenues and the Special Funds as provided in the Indenture. The Series 2016 Bonds are not general obligations or a pledge of the faith, credit or taxing power of the City, the State of Ohio or any political subdivision thereof. No holder of any Series 2016 Bonds shall have the right to compel the exercise of the City’s taxing power or to compel the City to pay debt service charges on the Series 2016 Bonds from any moneys of the City other than the Airport Revenues and Special Funds.

The Series 2016 Bonds are offered when, as and if issued by the City and accepted by the Underwriters, subject to the opinions on certain legal matters relating to their issuance by Squire Patton Boggs (US) LLP, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by Barbara A. Langhenry, its Director of Law. Certain legal matters will be passed upon for the Underwriters by their counsel, Bricker & Eckler LLP. It is expected that delivery of (a) the Series 2016A Bonds in definitive form will be made to DTC on or about February 23, 2016, and (b) the Series 2016B Bonds in definitive form will be made to DTC on or about October 4, 2016.

This cover page contains certain information for quick reference only. It is not a summary of this Official Statement. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision, paying particular attention to the matters discussed in “CERTAIN INVESTMENT CONSIDERATIONS.”

STIFEL, NICOLAUS & COMPANY, INCORPORATED

BofA MERRILL LYNCH

LOOP CAPITAL MARKETS

ESTRADA HINOJOSA & COMPANY, INC.

J.P. MORGAN

IFS SECURITIES, INC.

THE WILLIAMS CAPITAL GROUP, L.P.

\$108,120,000
City of Cleveland, Ohio
Airport System Revenue Bonds
Series 2016A (Non-AMT)

MATURITY SCHEDULE

Year (January 1)	Principal Maturing	Interest Rate	Price	CUSIP ¹
2018	\$2,935,000	5.000%	107.622	186352 QL7
2019	2,970,000	5.000	111.261	186352 QM5
2020	3,295,000	5.000	114.314	186352 QN3
2021	3,405,000	5.000	117.148	186352 QP8
2022	3,715,000	5.000	119.238	186352 QQ6
2023	8,200,000	5.000	120.764	186352 QR4
2024	8,600,000	5.000	121.868	186352 QS2
2025	9,200,000	5.000	122.867	186352 QT0
2026	9,600,000	5.000	121.339*	186352 QU7
2027	10,200,000	5.000	120.274*	186352 QV5
2028	10,600,000	5.000	119.483*	186352 QW3
2029	11,300,000	5.000	118.697*	186352 QX1
2030	11,700,000	5.000	117.918*	186352 QY9
2031	12,400,000	5.000	117.316*	186352 QZ6

* Priced to the first optional call date of January 1, 2025 at par.

¹ CUSIP data has been provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP data is being provided solely for the convenience of the owners of the Series 2016A Bonds only at the time of issuance of the Series 2016A Bonds, and the City does not make any representation with respect to such data or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP data is subject to being changed after the issuance of the Series 2016A Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2016A Bonds.

\$36,235,000
City of Cleveland, Ohio
Airport System Revenue Bonds
Series 2016B (Non-AMT)
(Forward Delivery)

MATURITY SCHEDULE

Year (January 1)	Principal Maturing	Interest Rate	Price	CUSIP ¹
2022	\$11,450,000	5.00%	114.053	186352 RA0
2023	12,060,000	5.00	115.172	186352 RB8
2024	12,725,000	5.00	115.888	186352 RC6

¹ CUSIP data has been provided by Standard & Poor's CUSIP Service Bureau, a division of the McGraw-Hill Companies, Inc. The CUSIP data is being provided solely for the convenience of the owners of the Series 2016B Bonds only at the time of issuance of the Series 2016B Bonds, and the City does not make any representation with respect to such data or undertake any responsibility for its accuracy now or at any time in the future. The CUSIP data is subject to being changed after the issuance of the Series 2016B Bonds as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2016B Bonds.

**CITY OF CLEVELAND, OHIO
AIRPORT SYSTEM**

MAYOR
FRANK G. JACKSON

PRESIDENT OF COUNCIL
KEVIN J. KELLEY

COUNCIL AVIATION AND TRANSPORTATION COMMITTEE

Chairman
MARTIN KEANE

DEPARTMENT OF FINANCE

Director of Finance
SHARON DUMAS

DEPARTMENT OF PORT CONTROL

Director of Port Control
FRED SZABO

DEPARTMENT OF LAW

Director of Law
BARBARA A. LANGHENRY

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Cleveland, Ohio

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Tuxedo Park, New York

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Philadelphia, Pennsylvania

TRUSTEE

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Company, N.A.
Cleveland, Ohio

INDEPENDENT AUDITOR

Clark, Schaefer, Hackett & Co.
Cincinnati, Ohio

VERIFICATION AGENT

Causey Demgen & Moore P.C.

REGARDING THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2016 Bonds identified on the cover hereof. No person has been authorized by the City or the Underwriters to give any information or to make any representation other than as contained in this Official Statement. Any other information or representation should not be relied upon as having been given or authorized by the City or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the Series 2016 Bonds by any person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The information and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale made hereunder shall create, under any circumstances, or give rise to any implication that there has been no change in the affairs of the City since its date.

Any statements made in this Official Statement which involve opinions or estimates, whether expressly stated to be such, are made as such and are not representations of fact or certainty, and no representation is made that any of those statements have been or will be realized. Information in this Official Statement that has been derived by the City from its officials and other sources is believed to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City, and its accuracy is not guaranteed.

This Official Statement contains statements which, to the extent they are not recitations of historical fact, constitute “forward-looking statements.” The words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe,” and similar expressions are intended to identify forward-looking statements. A number of factors affecting the City’s financial results could cause actual results to differ materially from those stated in the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

THE SERIES 2016 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE SERIES 2016 BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE SERIES 2016 BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY WILL HAVE PASSED UPON THE

ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE SERIES 2016 BONDS FOR SALE. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their responsibilities to investors under federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Assured Guaranty Municipal Corp. (“AGM”) makes no representation regarding the Series 2016 Bonds or the advisability of investing in the Series 2016 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading “BOND INSURANCE” and “APPENDIX E – SPECIMEN BOND INSURANCE POLICY.”

In connection with this offering of the Series 2016 Bonds, the Underwriters may overallocate or effect transactions that stabilize or maintain the market prices of the Series 2016 Bonds at levels above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time without prior notice. The prices and other terms of the offering and sale of the Series 2016 Bonds may be changed from time to time by the Underwriters after the Series 2016 Bonds are released for sale, and the Series 2016 Bonds may be offered and sold at prices other than the initial offering prices, including sales to dealers, without prior notice.

TABLE OF CONTENTS

	<u>Page</u>
PART I	
REGARDING THIS OFFICIAL STATEMENT	i
INTRODUCTION	1
The City and the Airport System	1
Description and Purpose of the Series 2016 Bonds	2
Terms of the Series 2016 Bonds	2
Security for the Series 2016 Bonds	2
Bond Insurance for Series 2016 Bonds	3
Outstanding and Additional Revenue Bonds	3
Airport Use Agreements	3
Special Facility Leases	4
PLAN OF FINANCE	5
Series 2016A Bonds	5
Series 2016B Bonds	6
SOURCES AND USES OF FUNDS	7
SECURITY FOR THE SERIES 2016 BONDS	7
Pledge of Airport Revenues	7
Special Obligations	8
Rate Covenant	8
Allocation of Airport Revenues to Special Funds	8
Bond Service Reserve Fund	11
Renewal and Replacement Fund	11
Airport Development Fund	12
Additional Revenue Bonds	13
Special Revenue Bonds	14
Amendment of the Trust Indenture	14
Remedies	15
BOND INSURANCE	15
Bond Insurance Policy	16
Assured Guaranty Municipal Corp.	16
DESCRIPTION OF THE SERIES 2016 BONDS	18
General Description	18
Book-Entry Only System	19
Transfer and Exchange of Series 2016 Bonds; Persons Treated as Owners	19
Revision of Book-Entry System; Replacement Bonds	19
Redemption Provisions	20
CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE SERIES 2016B BONDS	22

Certain Forward Delivery Considerations	22
Settlement	22
Additional Risks Related to the Delayed Delivery Period.....	24
Ratings Risk	24
Secondary Market Risk.....	24
Market Value Risk	25
Tax Law Risk.....	25
Termination of 2016 Forward BPA	25
CERTAIN INVESTMENT CONSIDERATIONS	26
General.....	26
Airline Consolidations	26
Airlines Serving the Airport.....	26
Cost of Aviation Fuel.....	27
National and Global Economic Conditions	27
Public Health Risks.....	28
Aviation Safety and Security Concerns	28
Aviation Security Requirements and Related Costs and Restrictions	28
Regulations and Other Restrictions Affecting the Airport	29
Effect of Signatory Airline Bankruptcy on the Use Agreement.....	30
Alternative Travel Modes and Travel Substitutes	30
Other Key Factors	30
Competition from Other Airports	31
Expiration and Possible Termination of Use Agreements.....	31
Credit Risk of Financial Institutions Providing Credit Enhancement, Liquidity Support and Other Financial Products Relating to Revenue Bonds	31
Variable Rate Debt and Credit and Liquidity Provider Downgrades	32
Special Obligations.....	32
Forward-Looking Statements.....	32
Enforceability of Remedies.....	32
LEGAL OPINION	33
LITIGATION.....	34
VERIFICATION OF MATHEMATICAL COMPUTATIONS.....	34
TAX MATTERS.....	35
Series 2016 Bonds.....	35
Risk of Future Legislative Changes and/or Court Decisions.....	37
Original Issue Premium	37
CONTINUING DISCLOSURE.....	38
United Airlines.....	39
INDEPENDENT ACCOUNTANTS	39
FINANCIAL ADVISORS	39
UNDERWRITING	40

THE TRUSTEE	41
RATINGS	41
CONCLUDING STATEMENT	41
PART II CERTAIN INFORMATION REGARDING THE CITY, THE AIRPORT SYSTEM AND THE AVIATION SECTOR	43
THE CITY	43
General.....	43
THE AIRPORT SYSTEM.....	55
General.....	55
Airport Facilities	56
Capital Improvement Plan	58
CIP Projects	58
CIP Funding Sources	59
Regulatory Matters.....	60
Management of the Airport System.....	61
The Airport Service Region	63
Airport Passenger Activity.....	65
Airlines and Market Shares.....	67
AIRPORT FINANCIAL INFORMATION.....	68
Principal Sources of Revenues.....	68
Historical Data for the Airport System	69
Operating Results.....	70
Bond Service Coverage Calculation	72
Mid-Year Financial Reporting.....	73
Outstanding Bonds.....	74
Hedge Agreements.....	75
Debt Service Requirements.....	76
AVIATION SECTOR.....	77
Airline Information	77
APPENDIX A DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE	A-1
APPENDIX B FORMS OF OPINIONS OF BOND COUNSEL.....	B-1
APPENDIX C BOOK-ENTRY ONLY SYSTEM	C-1
APPENDIX D CONTINUING DISCLOSURE AGREEMENTS	D-1
Continuing Disclosure Agreement of City	D-1
Continuing Disclosure Agreement of United Airlines.....	D-7
APPENDIX E SPECIMEN BOND INSURANCE POLICY	E-1
APPENDIX F FORM OF DELAYED DELIVERY CONTRACT.....	F-1

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OFFICIAL STATEMENT

Relating to

\$108,120,000
City of Cleveland, Ohio
Airport System Revenue Bonds
Series 2016A (Non-AMT)

\$36,235,000
City of Cleveland, Ohio
Airport System Revenue Bonds
Series 2016B (Non-AMT)
(Forward Delivery)

INTRODUCTION

The City of Cleveland, Ohio (the “City”) is furnishing this Official Statement to provide certain information in connection with the issuance and sale by the City of its (a) \$108,120,000 Airport System Revenue Bonds, Series 2016A (Non-AMT) (the “Series 2016A Bonds”) and its (b) \$36,235,000 Airport System Revenue Bonds, Series 2016B (Non-AMT) (Forward Delivery) (the “Series 2016B Bonds”, and together with the Series 2016A Bonds, the “Series 2016 Bonds”). All terms, unless otherwise defined herein, shall have the meanings given to them in “APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE.”

The Series 2016 Bonds are special obligations of the City. Payment of the principal of and interest on the Series 2016 Bonds will be payable solely from the revenues and other moneys assigned and pledged by the Indenture. For further information regarding the Series 2016 Bonds, see “Description and Purpose of the Series 2016 Bonds” below.

This Official Statement should be considered in its entirety and no one subject considered less important than another by reason of its location in the text. Descriptions of instruments, including, without limitation, the Series 2016 Bonds, the Indenture and the Use Agreements, are qualified by reference to the entire text of those instruments, and reference should be made to laws, reports or documents referred to in this Official Statement for more complete information regarding their content. Copies of the Indenture and the Use Agreements are available at the designated office of The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), which is the Trustee’s Cleveland office located at 1660 West Second Street, Suite 830, Cleveland, Ohio 44113.

References to provisions of Ohio law or of the Ohio Constitution are references to such provisions in effect on the date hereof. Those provisions may be amended, repealed or supplemented.

The City and the Airport System

The City is a municipal corporation and political subdivision of the State of Ohio. The City’s Department of Port Control operates Cleveland Hopkins International Airport (the “Airport”) and Burke Lakefront Airport (“Burke”), which together comprise the City’s Airport System (the “Airport System”). The Airport is the primary commercial service airport for northeastern Ohio. For detailed information relating to the City and the Airport System, see “THE CITY” and “THE AIRPORT SYSTEM.”

Description and Purpose of the Series 2016 Bonds

The Series 2016 Bonds are issued under and secured by the Amended and Restated Trust Indenture (Seventeenth Supplemental Trust Indenture dated as of November 1, 2011) that became effective January 31, 2012 (referred to herein as the “Trust Indenture”), between the City and the Trustee, as it has been heretofore supplemented and as it is further supplemented by the Twenty-First Supplemental Trust Indenture dated February 23, 2016 relating to the proposed issuance of the Series 2016A Bonds (the “Twenty-First Supplemental Indenture”), and by the Twenty-Second Supplemental Trust Indenture dated October 4, 2016 relating to the proposed issuance of the Series 2016B Bonds (the “Twenty-Second Supplemental Indenture”, together with the Trust Indenture as it has been heretofore supplemented, and the Twenty-First Supplemental Indenture, the “Indenture”). The Series 2016 Bonds are issued under authority of the Constitution and the laws of the State of Ohio, the Charter of the City, Ordinance No. 64-13, passed by the Council of the City on January 28, 2013 and the Certificates of Award executed by the Director of Finance of the City pursuant to that Ordinance.

The City is issuing (a) the Series 2016A Bonds to advance refund a portion of the City’s Airport System Revenue Bonds, Series 2000C (Non-AMT), originally issued on February 27, 2001 and remarketed as fixed rate bonds on November 16, 2006 (the “Series 2000C Bonds”) and (b) the Series 2016B Bonds to currently refund a portion of the City’s Airport System Revenue Bonds, Series 2006A (Non-AMT), issued on November 16, 2006 (the “Series 2006A Bonds”). See “INTRODUCTION – Plan of Finance” herein.

Terms of the Series 2016 Bonds

The Series 2016 Bonds will bear interest payable on January 1 and July 1 of each year, (each, an “Interest Payment Date”) commencing July 1, 2016, with respect to the Series 2016A Bonds and commencing January 1, 2017 with respect to the Series 2016B Bonds, at the respective interest rates shown on the inside front cover pages of this Official Statement, calculated on a basis of 12 30-day months, and will be subject to redemption prior to maturity to the extent and as described herein. See “DESCRIPTION OF THE SERIES 2016 BONDS.”

Security for the Series 2016 Bonds

In the Trust Indenture, the City pledges and grants to the Trustee a first lien on Airport Revenues and the moneys in the Special Funds to the payment of the debt service charges on all Revenue Bonds issued under the Trust Indenture, including the Outstanding Bonds described herein, the Series 2016 Bonds, and any other Additional Revenue Bonds. See “SECURITY FOR THE SERIES 2016 BONDS – Pledge of Airport Revenues” and “APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE – Pledge of Airport Revenues.”

The Series 2016 Bonds are special obligations of the City and do not constitute general obligations or a pledge of the faith, credit or taxing power of the City, the State of Ohio or any political subdivision thereof. The Series 2016 Bonds are payable on a parity with the Outstanding Bonds and any Additional Revenue Bonds issued under the Indenture, and are secured by a lien on the Airport Revenues and the Special Funds as provided in the Indenture. Holders of the Series 2016 Bonds do not have the right to

compel taxation in any form or to compel the City to pay debt service charges on the Series 2016 Bonds from any moneys of the City other than Airport Revenues and the Special Funds. Neither the land nor improvements comprising the Airport System nor any other property of the City, other than the Airport Revenues and the Special Funds, has been pledged to secure the payment of the Series 2016 Bonds.

Bond Insurance for Series 2016 Bonds

The scheduled payment of principal of and interest on the Series 2016 Bonds when due is guaranteed by separate municipal bond insurance policies (each, a “Policy”, and collectively the “Policies”) issued concurrently with the original delivery of the Series 2016 Bonds by Assured Guaranty Municipal Corp. (the “Bond Insurer”). See “BOND INSURANCE.”

Outstanding and Additional Revenue Bonds

Upon compliance with certain conditions set forth in the Trust Indenture and the Use Agreements (defined below), the City may issue additional series of Revenue Bonds payable on a parity with the Series 2016 Bonds and the Outstanding Bonds with respect to Airport Revenues and the moneys in the Special Funds (the “Additional Revenue Bonds”). See “SECURITY FOR THE SERIES 2016 BONDS – Additional Revenue Bonds.”

Under the Trust Indenture and the Use Agreements, the City also may issue or incur Subordinated Indebtedness. Debt service charges on Subordinated Indebtedness are payable from and secured by Airport Revenues on a basis subordinate to the payment of debt service charges on Revenue Bonds. There is currently no Subordinated Indebtedness outstanding. See “APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE.”

Upon issuance of the Series 2016 Bonds, there will be \$724,375,000 aggregate principal amount of Outstanding Revenue Bonds that were issued pursuant to the Trust Indenture and are secured by the Airport Revenues and the moneys in the Special Funds. See “AIRPORT FINANCIAL INFORMATION – Outstanding Bonds.”

Airport Use Agreements

The City has historically entered into use and lease agreements (the “Agreement and Lease”) with most of the airlines serving the Airport. The Agreement and Lease, as supplemented and amended by the First Amendment to the Agreement and Lease (“Amendment No. 1”) effective January 1, 2006 (together, the “Airline Agreements,” also commonly referred to as the “Use Agreements”), governs use of the Airport by airlines which are parties to such Airline Agreements (the “Scheduled Airlines,” also commonly referred to as the “Signatory Airlines”). Amendment No. 1 extended the term of the Airline Agreements to December 31, 2015, modified certain aspects of the rates and charges methodology and provided that the Signatory Airlines have preferential rather than exclusive rights to use the leased premises at the Airport. The Signatory Airlines are American Airlines, Delta Air Lines, Frontier Airlines, JetBlue Airlines, Southwest Airlines, Spirit Airlines, and United Airlines.

The Airline Agreements establish procedures for the annual review and adjustment of the terminal building space rental rates and landing fees paid by the Signatory Airlines. The Airline Agreements provide for a “cost-center residual cost” formula for calculating rental fee rates and an “Airport System residual cost” formula for calculating landing fee rates. Under these formulas, terminal complex rental rates and landing fee rates are adjusted annually to produce Airport Revenues sufficient to (a) meet the Rate Covenant discussed below, (b) timely pay debt service charges on all Revenue Bonds, periodic payments under any Hedge Agreements, and debt service on any Subordinated Indebtedness, and (c) provide for continued safe and efficient operation of the Airport. The Airline Agreements require that such fees and rentals be deposited with the Trustee for application in accordance with the terms of the Trust Indenture. In addition, if at any time during a Fiscal Year Airport Revenues are insufficient to cover the costs of operating the Airport System, the City may, upon providing 90 days’ notice to the Signatory Airlines, increase landing fees.

The Airline Agreements expired on December 31, 2015. The Airline Agreements were not renewed prior to expiration, and therefore have been converted to a month-to-month basis that is subject to termination by either party upon 30 days written notice. The City is currently negotiating a new use and lease agreement with the airlines. There is no assurance that future leases will contain airline fees and charges provisions similar to those contained in the current Airline Agreements. However, the expiration or termination of the Airline Agreements prior to the maturity of the Outstanding Bonds does not release the City from its obligations under the Indenture, and the City reasonably expects it will be able to pay debt service charges on the Revenue Bonds. The City presently has no reason to believe that a successor agreement will differ from the current agreement in a manner that may be adverse, in any significant manner, to the City, the Airport or to bondholders. For more information on the terms of the Airline Agreements, see “CERTAIN INFORMATION REGARDING THE CITY, THE AIRPORT SYSTEM,” “THE AVIATION SECTOR,” “AIRPORT FINANCIAL INFORMATION – Principal Sources of Revenues” and “APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE.”

Special Facility Leases

In addition to the Airline Agreements, United Airlines is also party to two long-term operating leases associated with certain terminal-related facilities at the Airport, including portions of Concourse C and Concourse D. Continental Airlines (now United Airlines) entered into the 1989 Special Facilities Lease and 1997 Special Facilities Lease (combined, the “Special Facilities Leases”) with the City as part of the development of those Continental specific facilities funded by Special Revenue Bonds. Principal and interest payments associated with the Special Revenue Bonds are unconditionally guaranteed by United Airlines. The Special Revenue Bonds are not part of the City’s outstanding Airport System Revenue Bonds and therefore are excluded from Rate Covenant, Additional Bonds Test and other provisions of the Indenture. See “SECURITY FOR THE SERIES 2016 BONDS – Special Revenue Bonds.”

The 1989 Special Facilities Lease and 1997 Special Facilities Lease expire on December 31, 2019 and December 31, 2027, respectively. The Special Facilities Leases provide for full cost recovery (associated operating expenses and debt service requirements) of the areas operated under

such leases by United Airlines. The City and United Airlines are working cooperatively to amend the existing Special Facilities Leases.

PLAN OF FINANCE

Series 2016A Bonds

The proceeds of the Series 2016A Bonds, together with the other available funds held by the Trustee, will be used to advance refund a portion of the Series 2000C Bonds (the “2000C Refunded Bonds”) and to pay certain costs of issuance. See “Sources and Uses of Funds.” The 2000C Refunded Bonds are currently outstanding in the principal amount of \$126,700,000 and are described as follows:

2000C Refunded Bonds			
<u>Maturity</u> <u>(January 1)</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
2018	\$6,300,000	5.00%	186352JD3
2019	6,500,000	5.00	186352JE1
2020	7,000,000	5.00	186352JF8
2021	7,300,000	5.00	186352JG6
2022	7,800,000	5.00	186352JH4
2023	8,200,000	5.00	186352JJ0
2024	8,600,000	5.00	186352JK7
2025	9,200,000	5.00	186352JL5
2026	9,600,000	5.00	186352JM3
2031	56,200,000	5.00	186352JN1

The 2000C Refunded Bonds are subject to prior redemption in whole or in part on any date, on or after January 1, 2017 at a redemption price equal to 100% of the principal amount redeemed plus interest accrued to the redemption date (the “2000C Redemption Price”). On the date of delivery of the Series 2016A Bonds the Trustee will cause notice of prior redemption of the 2000C Refunded Bonds to be given in accordance with the terms of the 2000C Refunded Bonds and the 2000C Refunded Bonds will be redeemed on January 1, 2017 (the “2000C Redemption Date”).

Proceeds of the Series 2016A Bonds will be deposited with the Trustee, in its capacity as Escrow Trustee under the Escrow Agreement dated February 23, 2016 (the “2000C Escrow Agreement”) between the City and the Escrow Trustee. Certain moneys on deposit in the Bond Service Fund and the Bond Service Reserve Fund held by the Trustee under the Trust Indenture will be transferred to the 2000C Escrow Fund established under the 2000C Escrow Agreement in the custody of the Escrow Trustee. The amounts so deposited in escrow (the “2000C Escrow Deposit”) will be invested in direct obligations of the United States of America certified by an independent public accounting firm of national reputation (the “Verification Agent”) to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient, together with any amount of the 2000C Escrow Deposit held in cash

uninvested, for the payment of the 2000C Redemption Price of the 2000C Refunded Bonds on the 2000C Redemption Date.

Irrevocable instructions will be given by the City to the Trustee in the 2000C Escrow Agreement to redeem the 2000C Refunded Bonds on the 2000C Redemption Date. Upon the Trustee’s receipt of the 2000C Escrow Deposit, the report of the Verification Agent and the irrevocable redemption instructions of the City, the 2000C Refunded Bonds will be deemed paid and discharged and no longer Outstanding under the Trust Indenture and the lien of the Trust Indenture will be released with respect to the 2000C Refunded Bonds.

Series 2016B Bonds

The proceeds of the Series 2016B Bonds, together with the other available funds held by the Trustee, will be used to currently refund a portion of the Series 2006A Bonds (the “2006A Refunded Bonds”, and together with the 2000C Refunded Bonds, the “Refunded Bonds”) and to pay certain costs of issuance. See “Sources and Uses of Funds.” The 2006A Refunded Bonds are currently outstanding in the principal amount of \$41,235,000 and are described as follows:

2006A Refunded Bonds			
Maturity (January 1)	<u>Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
2022	\$13,040,000	5.00%	186352HV5
2023	13,725,000	5.00	186352HW3
2024	14,470,000	5.00	186352HX1

The 2006A Refunded Bonds are subject to prior redemption in whole or in part on any date, on or after January 1, 2017 at a redemption price equal to 100% of the principal amount redeemed plus interest accrued to the redemption date (the “2006A Redemption Price”, and together with the 2000C Redemption Price, the “Redemption Price”). On the date of delivery of the Series 2016B Bonds the Trustee will cause notice of prior redemption of the 2006A Refunded Bonds to be given in accordance with the terms of the 2006A Refunded Bonds and the 2006A Refunded Bonds will be redeemed on January 1, 2017 (the “2006A Redemption Date”, and together with the 2000C Redemption Date, the “Redemption Date”).

Proceeds of the Series 2016B Bonds will be deposited with the Trustee, in its capacity as Escrow Trustee under the Escrow Agreement dated October 4, 2016 (the “2006A Escrow Agreement”, and together with the 2000C Escrow Agreement, the “Escrow Agreements”) between the City and the Escrow Trustee. Certain moneys on deposit in the Bond Service Fund and the Bond Service Reserve Fund held by the Trustee under the Trust Indenture will be transferred to the 2006A Escrow Fund established under the 2006A Escrow Agreement in the custody of the Escrow Trustee. The amounts so deposited in escrow (the “2006A Escrow Deposit”, and together with the 2000C Escrow Deposit, the “Escrow Deposits”) will be certified by an independent public accounting firm of national reputation (the “Verification Agent”) to be sufficient, together with interest and earnings therefrom, for the payment of the 2006A Redemption Price of the 2006A Refunded Bonds on the 2006A Redemption Date.

Irrevocable instructions will be given by the City to the Trustee in the 2006A Escrow Agreement to redeem the 2006A Refunded Bonds on the 2006A Redemption Date. Upon the Trustee’s receipt of the 2006A Escrow Deposit, the report of the Verification Agent and the irrevocable redemption instructions of the City, the 2006A Refunded Bonds will be deemed paid and discharged and no longer Outstanding under the Trust Indenture and the lien of the Trust Indenture will be released with respect to the 2006A Refunded Bonds.

SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the Series 2016 Bonds:

<u>Sources of Funds</u>	Series 2016A	Series 2016B
Principal Amount of Bonds	\$108,120,000.00	\$36,235,000.00
Original Issue Premium	20,553,485.80	5,460,559.70
Transfer from other funds	<u>5,553,589.00</u>	<u>1,108,035.00</u>
Total Sources	<u>\$134,227,074.80</u>	<u>\$42,803,594.70</u>
 <u>Uses of Funds</u>		
Deposit to Escrow Fund	\$132,511,423.00	\$42,265,875.00
Costs of Issuance ¹	<u>1,715,651.80</u>	<u>537,719.70</u>
Total Uses	<u>\$134,227,074.80</u>	<u>\$42,803,594.70</u>

SECURITY FOR THE SERIES 2016 BONDS

Pledge of Airport Revenues

In the Trust Indenture, the City has pledged and granted to the Trustee a first lien on the Airport Revenues and the moneys in the Special Funds as security for the payment of the debt service charges on all Revenue Bonds issued and outstanding under the Trust Indenture. “Airport Revenues” means generally all rentals, charges, landing fees, use charges and parking and concession revenues received by the City in connection with the City’s operation of the Airport System. In accordance with the flow of funds set forth in the Trust Indenture, Airport Revenues are to be used to pay Bond service charges on Revenue Bonds prior to the payment of Operating Expenses. See “Allocation of Airport Revenues to Special Funds” set forth below. Passenger Facility Charges (“PFCs”) received by the City are not included in Airport Revenues, but are being used by the City for the payment of debt service charges on certain Revenue Bonds, including eligible debt service charges on the Series 2016 Bonds. For a discussion of PFCs, see “THE AIRPORT SYSTEM – Capital Improvement Plan.” Among the Special Funds established by the Trust Indenture is the Bond Service Reserve Fund that is to be used for the payment of the maturing principal of and interest on the Revenue Bonds secured thereby

¹ Costs of issuance include costs of underwriting, legal, printing, advisory and rating agency fees, bond insurance premium, financial and other miscellaneous fees and expenses. See “UNDERWRITING.”

(including the Series 2016 Bonds), when moneys in the Bond Service Fund and certain other Special Funds are insufficient therefor. See “Bond Service Reserve Fund” below.

Special Obligations

The Series 2016 Bonds are special obligations of the City and do not constitute general obligations or a pledge of the faith, credit or taxing power of the City, the State of Ohio or any political subdivision thereof. The Series 2016 Bonds are payable on a parity with the Outstanding Bonds and any Additional Revenue Bonds that may be issued under the Trust Indenture, and are secured by a pledge of and lien on the Airport Revenues and the Special Funds as provided in the Trust Indenture. Holders of the Series 2016 Bonds do not have the right to compel taxation in any form or to compel the City to pay debt service charges on the Series 2016 Bonds from any moneys of the City other than Airport Revenues and the Special Funds. Neither the land nor improvements comprising the Airport System nor any other property of the City, other than Airport Revenues and the Special Funds, has been pledged to secure the payment of the Series 2016 Bonds.

Rate Covenant

In the Trust Indenture, the City covenants to prescribe and to charge such rates, fees and charges for the use of the Airport System to produce in each Fiscal Year Airport Revenues, together with Other Available Funds, less Operating Expenses, at least equal to 125% of the amount maturing and becoming due in such Fiscal Year for the payment of principal of and interest on all outstanding Revenue Bonds (the “Rate Covenant”). (An alternative coverage ratio applies if there is General Obligation Debt outstanding for the Airport System. Currently there is none outstanding.) See “APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE” for definitions of Airport Revenues, Other Available Funds and Operating Expenses and for a description of the assumptions to be made for computing debt service charges with respect to Revenue Bonds that bear interest at variable rates.

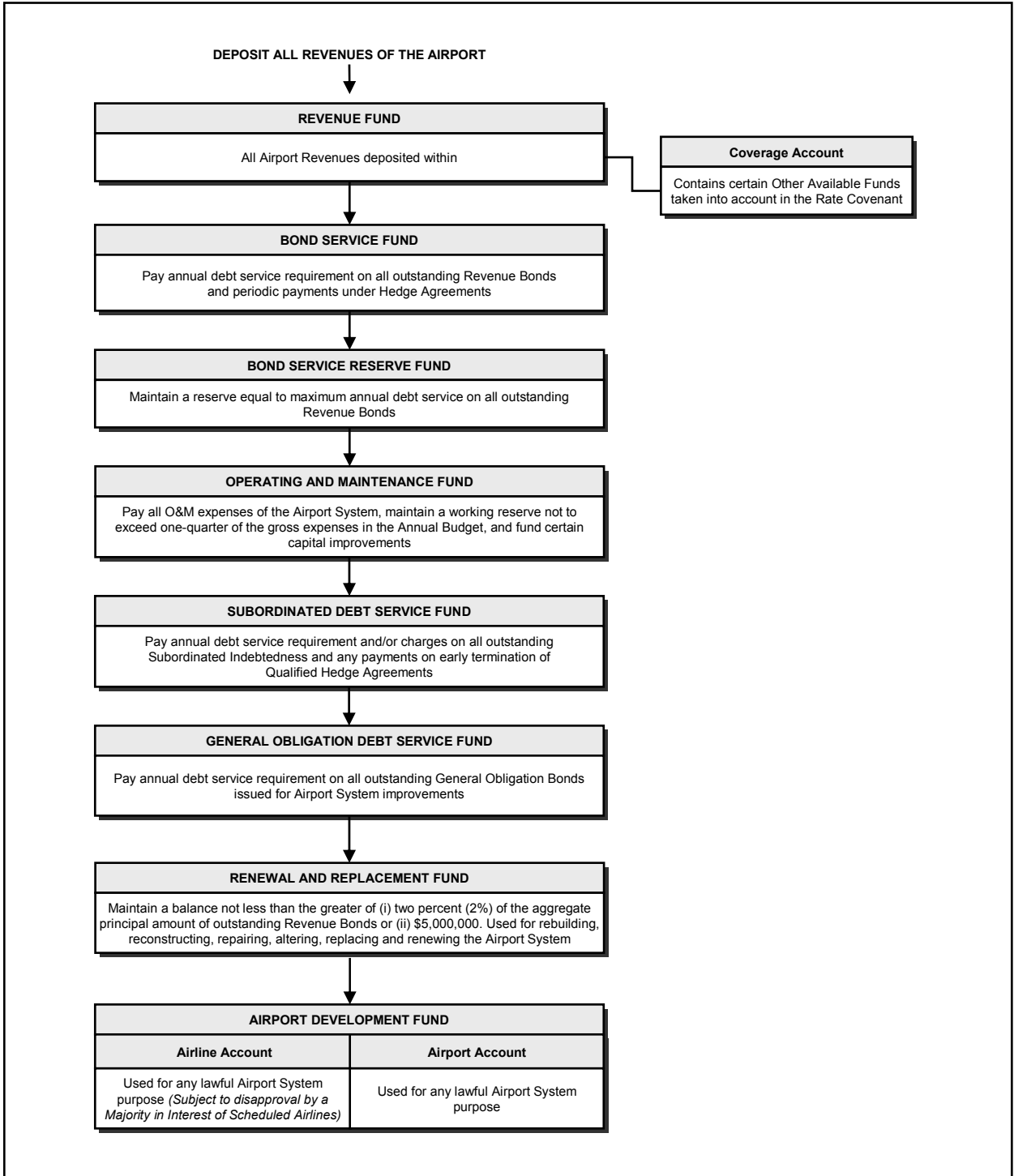
Allocation of Airport Revenues to Special Funds

Under the Trust Indenture, all Airport Revenues are to be paid directly to the Trustee and deposited by the Trustee in the Revenue Fund, one of the Special Funds created by the Trust Indenture and held by the Trustee. Beginning on the first day of each month, the Trustee transfers Airport Revenues in the Revenue Fund to the other Special Funds as follows (see also Figure 1. Flow of Funds, below):

- *First*, to the Bond Service Fund to (i) provide for the payment of debt service charges on outstanding Revenue Bonds and (ii) to pay periodic, interest-equivalent payments under (but not any amounts owed for early termination of) Hedge Agreements. (The City has no Hedge Agreements in place with respect to its Airport System Revenue Bonds.)
- *Second*, to the Bond Service Reserve Fund to maintain a reserve for debt service equal to the maximum annual debt service charges to be paid on all outstanding Revenue Bonds secured by the Bond Service Reserve Fund in any Fiscal Year.

- *Third*, to the Operating and Maintenance Fund to pay all Operating Expenses of the Airport System, maintain a working capital reserve and fund certain capital improvements.
- *Fourth*, to the Subordinated Debt Service Fund to provide for the payment of debt service charges on any Subordinated Indebtedness and any amount owed on early termination of a Qualified Hedge Agreement. (The City has no Subordinated Indebtedness outstanding, and has no Hedge Agreements in place with respect to its Airport System Revenue Bonds.)
- *Fifth*, to the General Obligation Debt Service Fund to provide for the payment of debt service charges on any General Obligation Debt outstanding with respect to the Airport System. (The City has no General Obligation Debt outstanding with respect to the Airport System Revenue Bonds.)
- *Sixth*, to the Renewal and Replacement Fund to maintain a reserve equal to the greater of (i) 2% of the principal amount of outstanding Revenue Bonds, or (ii) \$5,000,000.
- *Seventh*, to the Airport Development Fund, after making the deposits provided in the funds above, to the Airport Account and the Airline Account therein, the amount determined annually in accordance with the Use Agreements. The annual deposits to the Airport Account and the Airline Account are to be adjusted based on an index composed of both changes in annual enplaned passenger levels and the Consumer Price Index, but in any event the annual deposit is to be no less than \$4,250,000. Additional deposits are to be made to the Airport Account based on growth of non-airline revenues and reductions in Airport System Operating Expenses. Money in the Airport Development Fund may be used for any Airport System purpose. Money in the Airport Account may be used at the discretion of the City. Money in the Airline Account may be used at the direction of a Majority In Interest of the Signatory Airlines, including for the reduction of airline rates and charges.

Figure 1. Flow of Funds



Bond Service Reserve Fund

The Trust Indenture requires that the balance in the Bond Service Reserve Fund equal the Required Bond Service Reserve. Under the Trust Indenture, the Required Bond Service Reserve is defined as an amount equal to the maximum annual debt service charges on all Revenue Bonds secured by the Bond Service Reserve Fund. As of January 1, 2016, the balance in the Bond Service Reserve Fund was \$76,976,410. Following the issuance of the Series 2016A Bonds, the Required Bond Service Reserve requirement will be \$72,463,561. Following issuance of the Series 2016B Bonds, the Required Bond Service Reserve requirement will be \$71,870,526. See “INTRODUCTION – Sources and Uses of Funds.” Although the Trust Indenture permits the City to use credit instruments for funding the Bond Service Reserve Fund, currently it is funded solely with cash and investments.

All series of Outstanding Bonds are, and the Twenty-First Supplemental Indenture and the Twenty-Second Supplemental Indenture provide that the Series 2016 Bonds will be, secured by the Bond Service Reserve Fund. Moneys in the Bond Service Reserve Fund shall be used only for the purpose of payment when due of principal of or interest on the Revenue Bonds secured thereby when the moneys in the Bond Service Fund and the other Special Funds are insufficient therefor. Amounts withdrawn from the Bond Service Reserve Fund must be restored from the first receipts of Airport Revenues available after the required deposits have been made to the Bond Service Fund as provided in the Trust Indenture.

The Trust Indenture permits any supplemental indenture providing for the issuance of any series of Additional Revenue Bonds to provide that such series of Revenue Bonds be secured by a separate reserve fund or, alternatively, if the City maintains a rating on outstanding Revenue Bonds determined without regard to the issuance of credit enhancement (an underlying rating), that no reserve fund be established for that particular series of Revenue Bonds. Any Additional Revenue Bonds secured by a separate reserve fund or not secured by a reserve fund will not have a lien on the Bond Service Reserve Fund, and debt service charges on such Additional Revenue Bonds will not be included in computing the Required Bond Service Reserve. Subject to certain restrictions and conditions set forth therein, the Trust Indenture also permits the City to satisfy the Required Bond Service Reserve in whole or in part with the deposit of a surety bond, insurance policy, letter of credit or other instrument, in lieu of a cash deposit. For additional information relating to the Bond Service Reserve Fund, see “APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE.”

Renewal and Replacement Fund

The Trust Indenture requires the City to maintain a balance in the Renewal and Replacement Fund in an amount not less than the greater of (i) 2% of the aggregate principal amount of outstanding Revenue Bonds (\$14,487,500), or (ii) \$5,000,000. In the event that the balance in the Renewal and Replacement Fund falls below the required amount, monthly deposits are to be made to that Fund to restore the balance to the required amount within 60 months. The Renewal and Replacement Fund balance exceeds the requirement.

As of December 31, 2015, there was a balance in that Fund of \$26,038,325, which exceeds the Renewal and Replacement Fund requirement by \$11,550,825 (the “Excess Amount”). Of that Excess Amount, \$10,254,605 is currently committed to fund the costs of projects and \$1,296,220 remains uncommitted.

Airport Development Fund

The Airport Development Fund was created in 2006 in connection with Amendment No. 1 to the original Use Agreements with the Signatory Airlines. The Airport Development Fund contains two accounts, the Airport Account and the Airline Account. As of December 31, 2015, there was a cash balance in the Airport Account of the Airport Development Fund of \$10,454,546. Of that amount, \$8,632,785 is currently committed to fund the costs of projects and \$1,821,761 remains unencumbered. There is no amount currently on deposit in the Airline Account of the Airport Development Fund as a result of its use described below.

Annual deposits are to be made to each Account of the Airport Development Fund from airline rates and charges. The amount is to be adjusted annually based on changes in the Consumer Price Index and changes in the total enplaned passengers at the Airport. However, those annual adjustments shall not reduce the annual deposit to an amount less than \$4,250,000. Additional amounts from airline rates and charges may be required to be deposited in the Airport Account based on certain growth in non-airline revenues realized from certain costs centers, including the terminal building, concourses and parking. If actual operating expenses in any year are below certain targeted amounts, further additional amounts from airline rates and charges may be required to be deposited in the Airport Account. From time to time the Signatory Airlines and the Airport may agree to deposit additional amounts in either Account of the Airport Development Fund.

Money in the Airport Account may be spent by the City at its discretion for any Airport System purpose. Money in the Airline Account may be spent by the City at the direction of a Majority In Interest of the Signatory Airlines for any Airport System purpose. However, no prior consent is required for the transfer of money from either the Airport Account or the Airline Account to another Special Fund. The Signatory Airlines and the City have agreed in recent years that the annual deposit to the Airline Account be credited in the annual budget to reduce airline rates and charges.

Subject to certain provisions of the Use Agreements, the Signatory Airlines and the City may agree, in connection with the preparation of the Annual Reports for any Additional Term, that amounts on deposit in the Airline Account and/or the Airport Account of the Airport Development Fund will be made available as Other Available Funds in the calculation of the landing fee for that Additional Term to aid in the reduction of airline rates and charges. Amounts to be made available as Other Available Funds shall be transferred to the Coverage Account of the Revenue Fund established in the Indenture. In the event that the amount in the Coverage Account of the Revenue Fund exceeds 25% of the maximum annual debt service charges on all outstanding Revenue Bonds occurring in any subsequent Fiscal Year, the amount in excess of that 25% shall be transferred to the Airport Development Fund, unless the City and the Signatory Airlines otherwise agree in connection with the preparation of the Annual Reports. Any moneys to be so transferred from the Coverage Account of the Revenue Fund to the Airport

Development Fund shall be transferred to the Airport Account and the Airline Account in amounts proportionate to any transfers made to the Coverage Account from the Accounts of the Airport Development Fund.

Additional Revenue Bonds

Upon compliance with certain conditions set forth in the Trust Indenture and subject to the Majority In Interest procedures under the Use Agreements, the City may issue at one or more times Additional Revenue Bonds secured on a parity with the Series 2016 Bonds and the Outstanding Bonds with respect to Airport Revenues and the Special Funds. See “APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE.” The Outstanding Bonds are described in “AIRPORT FINANCIAL INFORMATION – Outstanding Bonds.” The City may issue Additional Revenue Bonds only for the purposes permitted by the Indenture, which include providing funds to make additional enlargements, replacements, extensions and improvements to the Airport System, or for any other proper Airport System purpose for which Revenue Bonds may be legally issued.

The Use Agreements require that the City submit to the Signatory Airlines for review the proposed capital improvements which are to be funded through rentals, fees and charges to be imposed on the Signatory Airlines. If the proposed capital improvements are not disapproved by a Majority In Interest of the Signatory Airlines within a period of ten days, the cost of the improvements (including debt service charges on Additional Revenue Bonds) may be included in airline rentals, fees and charges.

Except as described below, prior to issuing any Additional Revenue Bonds, the Trustee must receive from the City, among other things, a written report of the Airport Consultant, to the effect that the projected Airport Revenues, together with Other Available Funds, during each of the five complete Fiscal Years immediately following the issuance of the Additional Revenue Bonds, less the projected Operating Expenses during each of such Fiscal Years, are at least equal to 125% of the debt service charges on all outstanding Revenue Bonds, including the Additional Revenue Bonds proposed to be issued, due during each of such Fiscal Years, less, in each case, such debt service charges on any Revenue Bonds which are to be redeemed or retired with the proceeds of such Additional Revenue Bonds. An alternative debt service coverage ratio applies if there is General Obligation Debt of the City outstanding for Airport System purposes. The City currently has no outstanding General Obligation Debt for Airport System purposes. See “APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE.”

A written report of the Airport Consultant is not required in connection with Additional Revenue Bonds when:

- (i) the Director of Finance of the City certifies to the Trustee that the Airport Revenues, together with Other Available Funds, less Operating Expenses, for 12 of the past 18 months immediately preceding the proposed issuance of Additional Revenue Bonds or for the most recent Fiscal Year for which audited financial statements are available, are at least equal to 125% of Bond service charges on all Outstanding Revenue

Bonds, including the Additional Revenue Bonds proposed to be issued, in each of the three complete Fiscal Years immediately following the issuance of the Additional Revenue Bonds; or

(ii) the Additional Revenue Bonds are issued to refund Outstanding Revenue Bonds and the Director of Finance certifies to the Trustee that (i) the refunding will result in aggregate net present value debt service savings to the City, or (ii) in each bond year that Bond service charges were payable on the refunded Revenue Bonds, the Bond service charges on the refunding Revenue Bonds are not greater than the Bond service charges on the refunded Revenue Bonds, or (iii) the maximum annual Bond service charges on all Revenue Bonds to be Outstanding after the issuance of the refunding Revenue Bonds are not greater than the maximum annual Bond service charges on all Revenue Bonds Outstanding prior to the issuance of the refunding Revenue Bonds; or

(iii) the Additional Revenue Bonds are issued for the completion of a capital improvement project for which a series of Revenue Bonds has been issued, provided the principal amount of the Additional Revenue Bonds issued for that purpose does not exceed 10% of the total cost of such project.

Special Revenue Bonds

Under certain circumstances, the City may issue at one or more times Special Revenue Bonds for the purpose of financing Special Facilities of the Airport System. The Indenture provides that Special Revenue Bonds will not be payable from or secured by Airport Revenues or the Special Funds and will not be issued under or secured by the Indenture. There is currently one series of outstanding Special Revenue Bonds issued by the City with respect to Special Facilities under lease to United Airlines. See “INTRODUCTION – Special Facility Leases.”

Amendment of the Trust Indenture

The Trust Indenture amended and restated the Original Indenture effective January 31, 2012 upon the City’s receipt of the consent of the Holders of not less than two-thirds of the aggregate principal amount of all Outstanding Revenue Bonds. The City seeks to amend the requirements in Section 13.02 of the Trust Indenture (which were also contained in the Original Indenture) that the consent of the Holders of not less than two-thirds of the aggregate principal amount of all Outstanding Revenue Bonds be obtained for amendments of the Trust Indenture subject to bondholder consent and that the consent of all Holders of all Outstanding Revenue Bonds be obtained for any amendment reducing the percentage of Holders whose consent is required for amendments. The proposed amendments provide that the Holders of a majority (not two-thirds) in aggregate principal amount of all Outstanding Revenue Bonds may consent to amendments of the Trust Indenture subject to bondholder consent and eliminate the provision requiring the consent of all Holders of all Outstanding Revenue Bonds for any amendment reducing the percentage of Holders whose consent is required for amendments (the “Proposed Amendments”).

By purchase of any of the Series 2016 Bonds or any book-entry interest therein, the purchaser as the registered owner of the Series 2016 Bonds or book-entry interest shall be

deemed to have consented to the Proposed Amendments of Section 13.02 of the Trust Indenture. Such consent shall be binding on all subsequent Holders of Series 2016 Bonds. Pursuant to the Twenty-First Supplemental Indenture and the Twenty-Second Supplemental Indenture, the Trustee is appointed as the agent of the Holders of the Series 2016 Bonds for purposes of any notice required to be given under the Trust Indenture regarding these amendments, and the Holders of the Series 2016 Bonds have granted an irrevocable proxy authorizing and directing the Trustee to consent to the Proposed Amendments.

Subsequent to the issuance of the Series 2016 Bonds and the refunding of the Refunded Bonds, the percentage of the Holders of Outstanding Revenue Bonds that will have consented to the Proposed Amendments will be 93%. However, the Proposed Amendments will not be effective until the consent of 100% of the Holders is obtained. The consent of the Holders of an additional \$49,675,000 principal amount of Revenue Bonds will be needed for the Proposed Amendments to be effective.

Remedies

For a discussion of the remedies of the Holders of the Series 2016 Bonds and the Trustee upon the occurrence of an Event of Default under the Trust Indenture, including the rights of financial institutions providing credit and liquidity support for Revenue Bonds to act in place of the holders of those Revenue Bonds, see the discussion under “APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE.” The Trust Indenture provides that holders of Revenue Bonds and the Trustee will have the right to accelerate the entire outstanding principal amount of Revenue Bonds upon the occurrence of certain Events of Default, subject to the consent of each Bond Insurer with respect to the acceleration of any Revenue Bonds it has insured.

For a more detailed discussion of the terms of the Trust Indenture, see “APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE.”

BOND INSURANCE

The information in this section concerning the Policies and the Bond Insurer has been obtained from the Bond Insurer, and neither the City nor the Underwriters make any representation or warranty of, or otherwise take responsibility for, its accuracy or completeness. See APPENDIX E hereto for a specimen of the Policy.

Bond Insurance Policy

Concurrently with the issuance of the Series 2016 Bonds, Assured Guaranty Municipal Corp. (“AGM”) will issue separate Municipal Bond Insurance Policies (each a “Policy” and collectively, the “Policies”) for the Series 2016 Bonds. The Policies guarantee the scheduled payment of principal of and interest on the Series 2016 Bonds when due as set forth in the form of the Policy included as APPENDIX E to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (“AGL”), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol “AGO.” AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM’s financial strength is rated “AA” (stable outlook) by Standard and Poor’s Ratings Services, a Standard & Poor’s Financial Services LLC business (“S&P”), “AA+” (stable outlook) by Kroll Bond Rating Agency, Inc. (“KBRA”) and “A2” (stable outlook) by Moody’s Investors Service, Inc. (“Moody’s”). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM’s long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On June 29, 2015, S&P issued a credit rating report in which it affirmed AGM’s financial strength rating of “AA” (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On November 13, 2014, KBRA assigned an insurance financial strength rating of “AA+” (stable outlook) to AGM. AGM can give no assurance as to any further ratings action that KBRA may take.

On July 2, 2014, Moody’s issued a rating action report stating that it had affirmed AGM’s insurance financial strength rating of “A2” (stable outlook). On February 18, 2015, Moody’s published a credit opinion under its new financial guarantor ratings methodology maintaining its existing rating and outlook on AGM. AGM can give no assurance as to any further ratings action that Moody’s may take.

For more information regarding AGM’s financial strength ratings and the risks relating thereto, see AGL’s Annual Report on Form 10-K for the fiscal year ended December 31, 2014.

Capitalization of AGM

At September 30, 2015, AGM’s policyholders’ surplus and contingency reserve were approximately \$3,769 million and its net unearned premium reserve was approximately \$1,603 million. Such amounts represent the combined surplus, contingency reserve and net unearned premium reserve of AGM, AGM’s wholly owned subsidiary Assured Guaranty (Europe) Ltd. and 60.7% of AGM’s indirect subsidiary Municipal Assurance Corp.; each amount of surplus, contingency reserve and net unearned premium reserve for each company was determined in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the “SEC”) that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2014 (filed by AGL with the SEC on February 26, 2015);
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015 (filed by AGL with the SEC on May 8, 2015);
- (iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2015 (filed by AGL with the SEC on August 6, 2015); and
- (iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015 (filed by AGL with the SEC on November 6, 2015).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof “furnished” under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Series 2016 Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by

reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Series 2016 Bonds or the advisability of investing in the Series 2016 Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

DESCRIPTION OF THE SERIES 2016 BONDS

General Description

The Series 2016A Bonds will be issued in the aggregate principal amount of \$108,120,000. The Series 2016A Bonds will be dated the date of their delivery, will bear interest at the rates set forth on the inside cover page hereof, payable semiannually on January 1 and July 1 of each year, commencing July 1, 2016, and will mature on January 1 in the years and in the principal amounts set forth on the inside cover page hereof.

The Series 2016B Bonds will be issued in the aggregate principal amount of \$36,235,000. The Series 2016B Bonds will be dated the date of their delivery, will bear interest at the rates set forth on the inside cover page hereof, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2017, and will mature on January 1 in the years and in the principal amounts set forth on the inside cover page hereof. The Series 2016B Bonds are being sold on a forward delivery basis with delivery expected on or about October 4, 2016.

The Series 2016 Bonds will bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or duly provided for, from their date. Interest on the Series 2016 Bonds will be calculated on the basis of a 360-day year consisting of 12 30-day months. The Series 2016 Bonds will be issued in denominations of \$5,000 and integral multiples thereof ("Authorized Denominations").

Book-Entry Only System

The Series 2016 Bonds initially will be issued in a book entry system, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”), as registered owner of the Series 2016 Bonds, and held in the custody of DTC, pursuant to DTC’s book entry-only system. Purchasers of beneficial interests in the Series 2016 Bonds will be made in book-entry form, without certificates. If the book entry system is discontinued for the Series 2016 Bonds, the City will take the actions necessary to provide for the issuance of Bond certificates to the Owners of such Series 2016 Bonds.

So long as the Series 2016 Bonds are held by DTC or its nominee, Cede & Co., in book-entry only form, the Trustee will recognize and treat DTC or its nominee, Cede & Co., as the Holder of the Series 2016 Bonds for all purposes under the Twenty-First Supplemental Indenture and the Twenty-Second Supplemental Indenture, provided that the Trustee will recognize Beneficial Owners for purposes of the purchase of Book Entry Interests. (See APPENDIX C – BOOK-ENTRY ONLY SYSTEM).

Transfer and Exchange of Series 2016 Bonds; Persons Treated as Owners

The person in whose name any Series 2016 Bond is registered (the “Bondholder,” “Holder,” “Owner” or “Registered Owner”) in the books kept and maintained by the Trustee as Registrar (the “Registrar”) for registration and transfer of Bonds (the “Register”) will be deemed and regarded as the absolute owner thereof for all purposes of the Indenture, and payment of or on account of the principal of and interest on the Series 2016 Bonds will be made only to or upon the order of the Registered Owner thereof or his or her legal representative. All such payments will be valid and effective to satisfy and discharge the liability upon that Series 2016 Bond to the extent of the sum or sums so paid.

So long as the Series 2016 Bonds are held in book-entry form, transfers of the Series 2016 Bonds by Beneficial Owners may be made only as described in “APPENDIX C – BOOK-ENTRY ONLY SYSTEM.” At any other time, any Series 2016 Bonds may be transferred or exchanged only upon the books kept for the registration and transfer of Series 2016 Bonds as provided in the Indenture.

Revision of Book-Entry System; Replacement Bonds

The Indenture provides for issuance of fully registered Series 2016 Bonds (“Replacement Bonds”) directly to owners of Series 2016 Bonds other than DTC or its nominee only in the event that DTC determines not to continue to act as securities depository for the Series 2016 Bonds.

Upon occurrence of this event, the City may in its discretion attempt to have established a securities depository book-entry relationship with another securities depository. If the City does not do so, or is unable to do so, and after the Trustee has made provisions for notification of the owners of book-entry interests in the Series 2016 Bonds by appropriate notice to DTC, the City and the Trustee will authenticate and deliver Replacement Bonds for the Series 2016 Bonds, in fully registered form, in the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof for the Series 2016 Bonds. If the elimination of a securities depository book-entry

system for the Series 2016 Bonds is not the result of City action or inaction, the delivery of Replacement Bonds will be at the expense (including printing costs) of any persons requesting issuance of Replacement Bonds.

Replacement Bonds will be exchangeable for fully registered Series 2016 Bonds of any denomination or denominations authorized by the Indenture in the aggregate principal amount not exceeding the unmatured and unredeemed principal amount of such Series 2016 Bonds and bearing interest at the same rate and maturing on the same date. Replacement Bonds will be transferable at the Designated Office of the Trustee or any Authentication Agent, without charge (except any tax, fee, or other governmental charge required to be paid). Exchange or transfer of then redeemable Replacement Bonds is not required to be made (i) during the 15 days preceding the date of a selection of Replacement Bonds to be redeemed, or (ii) of a particular Replacement Bond selected for redemption (in whole or part). See “APPENDIX C – BOOK-ENTRY ONLY SYSTEM.”

Redemption Provisions

Optional Redemption

The Series 2016A Bonds maturing on and after January 1, 2026 are subject to redemption prior to maturity, in whole or in part, at the option of the City, on any date on or after January 1, 2025, in Authorized Denominations, at the redemption price equal to 100% of the principal amount redeemed, plus accrued interest to the date fixed for the redemption. The Series 2016B Bonds are not subject to optional redemption prior to maturity.

Partial Redemption; Selection of Series 2016A Bonds to be Redeemed

If less than all of the Series 2016A Bonds are called for redemption prior to maturity, the Series 2016A Bonds to be called for prior redemption will be designated to the Trustee by the City. The principal amount to be redeemed is required to be an Authorized Denomination. In the case of a partial redemption of the Series 2016A Bonds when Series 2016A Bonds of Authorized Denominations greater than \$5,000 are then outstanding, each \$5,000 unit of principal will be treated as though it were a separate Series 2016A Bond of the denomination of \$5,000. If the Series 2016A Bonds are in book-entry only form and a securities depository is the sole registered owner of the Series 2016A Bonds, any redemption of less than all of the Series 2016A Bonds of the same maturity, interest rate and insured status will be performed in accordance with the depository’s procedures then in effect.

If it is determined that one or more, but not all of the \$5,000 units of principal amount represented by a Series 2016A Bond are to be called for redemption, then upon notice of redemption of a \$5,000 unit or units the Holder of that Series 2016A Bond will surrender the Series 2016A Bond to the Trustee (a) for payment of the redemption price of the \$5,000 unit or units called for redemption (including without limitation, the interest accrued to the date fixed for redemption), and (b) for issuance, without charge to the Holder thereof, of a new Series 2016A Bond or Bonds of any Authorized Denomination in an aggregate principal amount equal to the unmatured and unredeemed portion of, and bearing interest at the same rate and maturing on the same date as, the Series 2016A Bond surrendered.

Notice and Effect of Call for Redemption

Official notice of any such redemption will be given by the Trustee on behalf of the City by mailing a copy of an official redemption notice by first class mail not more than 45 days and not fewer than 20 calendar days prior to the redemption date to each Registered Owner of the Series 2016A Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such Registered Owner to the Trustee. Notice of redemption will also be given by the Trustee, on behalf of the City, to the Municipal Securities Rulemaking Board through its centralized database Electronic Municipal Market Access system (“EMMA”) pursuant to Rule 15c2-12 of the Securities and Exchange Commission. Any notice of optional redemption of any Series 2016A Bonds may specify that the redemption is contingent upon the deposit of moneys with the Trustee in an amount sufficient to pay the redemption price of all the Series 2016A Bonds or portions of Series 2016A Bonds that are to be redeemed on that date.

If unconditional notice of redemption of Series 2016A Bonds has been given, or if conditional notice of optional redemption has been given as described above and moneys sufficient to pay the redemption price on the redemption date have been deposited with the Trustee, the Series 2016A Bonds or portions thereof to be redeemed will, on the redemption date, become due and payable at the redemption price, and from and after such date (unless the City shall default in the payment of the redemption price) such Series 2016A Bonds or portions of thereof to be redeemed shall cease to bear interest. Upon surrender of such Series 2016A Bonds for redemption, such Series 2016A Bonds will be paid by the Trustee at the redemption price. Failure to give any notice to any Owner, or any defect therein, shall not affect the validity of any proceedings for the redemption of any other Series 2016A Bonds. Any notice mailed shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives the notice.

For so long as DTC is effecting book-entry transfers of the Series 2016A Bonds, the Trustee will provide the redemption notice described above to DTC. It is expected that DTC will, in turn, notify its participants, and that the participants, in turn, will notify or cause to be notified the Beneficial Owners of the Series 2016A Bonds to be redeemed. The City and the Trustee will have no responsibility or liability in connection with any failure on the part of DTC or a participant, or failure on the part of a nominee of a Beneficial Owner of a Series 2016A Bond, to notify the Beneficial Owner of the Series 2016A Bond so affected, and such failure shall not affect the validity of the redemption of such Series 2016A Bonds. See “APPENDIX C – BOOK-ENTRY ONLY SYSTEM.”

CERTAIN CONSIDERATIONS FOR FORWARD DELIVERY OF THE SERIES 2016B BONDS

Certain Forward Delivery Considerations

The City has entered into a forward delivery bond purchase agreement dated February 9, 2016 for the Series 2016B Bonds (the “2016 Forward BPA”) with Stifel, Nicolaus & Company, Incorporated, as representative (the “Representative”) of itself and J.P. Morgan Securities LLC, Estrada Hinojosa & Company, Inc., Loop Capital Markets, The Williams Capital Group, L.P., Merrill Lynch, Pierce, Fenner & Smith Incorporated and IFS Securities, Inc. (the “Underwriters”). Subject to the terms of the 2016 Forward BPA, the City expects to issue and deliver the Series 2016B Bonds on October 4, 2016, or on such later date as is mutually agreed upon by the City and the Representative (the “Settlement Date”). The following is a description of certain provisions of the 2016 Forward BPA. The following description is not to be considered a full statement of the terms of the 2016 Forward BPA and accordingly is qualified by reference thereto and is subject to the full text thereof.

Settlement

The issuance of the Series 2016B Bonds and the Underwriters’ obligations under the 2016 Forward BPA to purchase, accept delivery of and pay for the Series 2016B Bonds on the Settlement Date are conditioned upon the performance by the City of its obligations under the 2016 Forward BPA, including, without limitation, the delivery of the opinion, dated the Settlement Date, of Bond Counsel, substantially in the form and to the effect as set forth in APPENDIX B to this Official Statement, and the delivery of written evidence satisfactory to the Representative that, as of the Settlement Date, Moody’s Investors Service (“Moody’s”), Standard & Poor’s Ratings Services, a division of The McGraw Hill Company (“S&P”) and Fitch Ratings (“Fitch”) have rated the Series 2016B Bonds. The issuance of the Series 2016B Bonds is further contingent upon the delivery of certain certificates and legal opinions, and the satisfaction of other conditions as of the Settlement Date.

The Underwriters shall have the right to terminate their obligations to purchase the Series 2016B Bonds without liability therefor by written notification by the Representative to the City, if at any time on or after February 23, 2016, or at such other date or time as shall have been mutually agreed upon by the City and the Representative (the “Closing Date”), and on or prior to the Settlement Date any of the following situations occurs and such situation materially adversely affects the market for the Series 2016B Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2016B Bonds at the contemplated offering price:

- (i) there shall have been a Change in Law. A “Change in Law” means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any

such case would, (A) as to the Underwriters prohibit the Underwriters from completing the underwriting of the Series 2016B Bonds or selling the Series 2016B Bonds or beneficial ownership interests therein to the public, or (B) as to the City, would make the completion of the issuance, sale or delivery of the Series 2016B Bonds illegal; or

(ii) as a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action which continues to be proposed as of the Settlement Date), or for any other reason Bond Counsel cannot issue an opinion substantially in the form of APPENDIX B to this Official Statement as to the tax-exempt status of the Series 2016B Bonds; or

(iii) the Official Statement as of the Closing Date and any Updated Official Statement as of the Settlement Date contained or contains an untrue statement or misstatement of material fact or omitted or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect, unless such misstatement or omission is corrected in accordance with the 2016 Forward BPA and such correction does not materially adversely affect the market for the Series 2016B Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2016B Bonds at the contemplated offering price; or

(iv) legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which, in the reasonable opinion of the Representative, following consultation with the City, has the effect of requiring the Series 2016B Bonds to be registered under the Securities Act, or requires the qualification of the Indenture under the Trust Indenture Act, or an event shall occur which would cause the sale of the Series 2016B Bonds to be in violation of any provision of the federal or State of Ohio securities laws; or

(v) a general banking moratorium has been declared by federal, New York or Ohio authorities and it is in effect as of the Settlement Date; or

(vi) an event of default shall have occurred and be continuing on the Settlement Date, technical or otherwise, under the Indenture; or

(vii) if the City does not deliver a certification as of the Settlement Date to the effect that (A) the evidence of the ratings on the Series 2016B Bonds delivered at and as of the Closing Date remains accurate or (B) the ratings on the Series 2016B Bonds at and as of the Settlement Date are as stated in such certification.

The City has agreed to fulfill its obligations under the Continuing Disclosure Agreement (see “CONTINUING DISCLOSURE”) with respect to the Airport System’s audited financial statements for the year ended December 31, 2015 when and if they become available. If in the reasonable judgment of the Underwriters, after consultation with the City, an event affecting the

City, the Airport System or the Series 2016B Bonds occurs or has occurred during the period between the date of the Official Statement and a date not more than three weeks prior to the Settlement, which event causes the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made not misleading, then the City, in cooperation with the Underwriters, shall prepare an Updated Official Statement (the “Updated Official Statement”), which shall be dated a date not more than two weeks prior to Settlement relating to the Series 2016B Bonds, which, as of such date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

Notwithstanding anything to the contrary above, the Underwriters may not refuse to purchase the Series 2016B Bonds, and the purchasers may not refuse to purchase the Series 2016B Bonds pursuant to the hereinafter referred to Delayed Delivery Contract, by reason of “general market or credit changes,” including but not limited to, (a) changes in the ratings of the Series 2016B Bonds, or (b) changes in the financial condition, operations, performance, properties or prospects of the Airport System prior to the Settlement Date.

The Underwriters have advised the City that the Series 2016B Bonds will be sold only to investors who execute the Delayed Delivery Contract in substantially the form included in APPENDIX F attached hereto (each, a “Delayed Delivery Contract”) at the request and for the convenience of the Underwriters. The City is not a party to the Delayed Delivery Contract, and the City is not in any way responsible for the performance thereof or for any representations or warranties contained therein. The rights and obligations under the 2016 Forward BPA are not conditioned or dependent upon the performance of any Delayed Delivery Contract.

Additional Risks Related to the Delayed Delivery Period

During the period of time between the date of the 2016 Forward BPA and the Settlement Date (the “Delayed Delivery Period”), certain information contained in this Official Statement could change in a material respect. Any changes in such information will not permit the Underwriters to terminate the Delayed Delivery Contract or release the purchasers of their obligation to purchase the Series 2016B Bonds pursuant to the Delayed Delivery Contract unless the change reflects an event described under “Settlement.” In addition to the risks set forth above, purchasers of the Series 2016B Bonds are subject to certain additional risks, some of which are described below.

Ratings Risk

No assurances can be given that the ratings assigned to the Series 2016B Bonds on the Settlement Date will not be different from those currently assigned to the Series 2016B Bonds. Issuance of the Series 2016B Bonds and the Underwriters’ obligations under the 2016 Forward BPA are not conditioned upon the assignment of any particular ratings for the Series 2016B Bonds or the maintenance of the initial ratings of the Series 2016B Bonds.

Secondary Market Risk

The Underwriters are not obligated to make a secondary market in the Series 2016B Bonds, and no assurances can be given that a secondary market will exist for the Series 2016B

Bonds during the Delayed Delivery Period or at any time thereafter. Purchasers of the Series 2016B Bonds should assume that the Series 2016B Bonds will be illiquid throughout the Delayed Delivery Period.

Market Value Risk

The market value of the Series 2016B Bonds as of the Settlement Date may be affected by a variety of factors including, without limitation, general market conditions, the ratings then assigned to the Series 2016B Bonds, the financial condition and business operations of the City and federal income tax and other laws.

The market value of the Series 2016B Bonds as of the Settlement Date could therefore be higher or lower than the price to be paid by the initial purchasers of the Series 2016B Bonds, and that difference could be substantial. Neither the City nor the Representative makes any representation as to the expected market price of the Series 2016B Bonds as of the Settlement Date. Further, no assurance can be given that the introduction or enactment of any future legislation will not affect the market price for the Series 2016B Bonds as of the Settlement Date or thereafter or not have a materially adverse impact on any secondary market for the Series 2016B Bonds.

Tax Law Risk

Subject to the additional conditions of settlement described under “Settlement” above, the 2016 Forward BPA obligates the City to deliver and the Underwriters to acquire the Series 2016B Bonds if the City delivers opinions of Bond Counsel with respect to the Series 2016B Bonds substantially in the form and to the effect as set forth in APPENDIX C. During the Delayed Delivery Period, new legislation, new court decisions, new regulations, or new rulings may be enacted, promulgated or interpreted that might prevent Bond Counsel from rendering its opinion or otherwise affect the substance of such opinion. Notwithstanding that the enactment of new legislation, new court decisions or the promulgation of new regulations or rulings might diminish the value of, or otherwise affect, the exclusion of interest on the Series 2016B Bonds for purposes of federal income taxation payable on “state or local bonds,” the City might be able to satisfy the requirements for the delivery of the Series 2016B Bonds. In such event, the purchasers would be required to accept delivery of the Series 2016B Bonds. Prospective purchasers are encouraged to consult their tax advisors regarding the likelihood of any changes in tax law and the consequences of such changes to such purchasers.

Termination of 2016 Forward BPA

The Representative, on behalf of the Underwriters, may terminate the 2016 Forward BPA by notification to the City on or prior to the Settlement Date if any of the events described above in items under “Settlement” occurs. The Underwriters may not waive any right to terminate their obligations under the 2016 Forward BPA pursuant to paragraphs (ii), (iv) and (vi) under “Settlement” without the prior written consent of the City. In the event that the 2016 Forward BPA is terminated, the Refunded 2006A Bonds will not be refunded and will remain outstanding. The Series 2016A Bonds will not be affected by the termination of the 2016 Forward BPA. However, the debt service savings to the City that otherwise would have inured to the City from the issuance of the Series 2016B Bonds and the refunding of the 2006A Refunded Bonds will not occur.

CERTAIN INVESTMENT CONSIDERATIONS

The Series 2016 Bonds may not be suitable for all investors. Prospective purchasers of the Series 2016 Bonds should give careful consideration to the information set forth in this Official Statement, including, in particular, the matters referred to in the following summary.

General

The Airport Revenues are affected substantially by the economic health of the air transportation industry and the airlines serving the Airport. Certain factors that may materially affect the Airport service region, the Airport and the airlines include, but are not limited to (i) the availability and cost of aviation fuel and other necessary supplies, (ii) national and international economic conditions and currency fluctuations, (iii) the financial health and viability of the airline industry, (iv) air carrier service and route networks, (v) the population growth and the economic health of the region and the nation, (vi) changes in demand for air travel, (vii) service and cost competition, (viii) levels of air fares, (ix) fixed costs and capital requirements, (x) the cost and availability of financing, (xi) the capacity of the national air traffic control system, (xii) the capacity of the Airport and of competing airports, (xiii) alternative modes of travel and transportation substitutes, (xiv) national and international disasters and hostilities, (xv) the cost and availability of employees, (xvi) labor relations within the airline industry, (xvii) environmental risks and regulations, noise abatement concerns and regulations, (xviii) bankruptcy and insolvency laws, and (xix) safety concerns arising from international conflicts, the possibility of terrorist or other attacks and other risks.

Airline Consolidations

In response to competitive pressures, the U.S. airline industry has continued to consolidate. In October 2008, Delta and Northwest merged. In June 2009, Republic Airways Holdings, Inc. acquired Midwest Airlines and acquired Frontier Airlines in October 2009. In October 2010, United and Continental completed the merger of the two airlines. In May 2011, Southwest Airlines completed its acquisition of AirTran Airways. In December 2013, US Airways and American Airlines completed the merger of the two airlines.

Airline consolidation has affected airline service patterns at the Airport, including the decrease in the number of nonstop departures and connecting air service as a result of United Airlines dehubbing of the Airport that was announced in February 2014. Further airline consolidation is possible and could continue to change airline service patterns. The City cannot predict what impact, if any, such consolidations will have on airline traffic at the Airport.

Airlines Serving the Airport

The City derives a substantial portion of its operating revenues from landing, facility rental and concession fees. The financial strength and stability of the airlines using the Airport, together with numerous other factors, influence the level of aviation activity and revenues at the

Airport. In addition, individual airline decisions regarding level of service, particularly aircraft size such as use of regional jets, can affect total enplanements.

From 2002 through 2013, several airlines (including some that served the Airport) ceased operations and/or filed for bankruptcy protection. No assurances can be given that the airlines now serving the Airport will continue operations or maintain their current levels of activity at the Airport. If one or more airlines were to discontinue operations at the Airport, the activity accounted for by such airlines would not necessarily be replaced by other carriers.

Except for United Airlines, no airline operating at the Airport under a lease, use agreement or other agreement, has made any agreement regarding the continuing disclosure of information for the benefit of the holders and beneficial owners of any Series of Outstanding Bonds. See “CONTINUING DISCLOSURE – United Airlines.” However, certain of the major domestic airlines (or their respective parent corporations), including United Airlines, are subject to the information reporting requirements of the Exchange Act, and thus must file reports and other information with the SEC. See “AVIATION SECTOR – Airline Information.”

Cost of Aviation Fuel

Airline earnings are significantly affected by the price of aviation fuel. According to Airlines for America, fuel is the largest single cost component for most airline operations, and therefore an important and uncertain determinant of an air carrier’s operating economics. There has been no shortage of aviation fuel since the “fuel crisis” of 1974, but there have been significant increases and fluctuations in the price of fuel.

Any increase in fuel prices causes an increase in airline operating costs. Fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries’ policy, increased demand for fuel caused by rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities and weather. In recent years, the cost of aviation fuel has fluctuated in response to changes in demand for and supply of oil worldwide. Significant fluctuations and prolonged increases in the cost of aviation fuel have had an adverse impact on air transportation industry profitability, causing airlines to reduce capacity, fleet and personnel as well as to increase airfares and institute fuel, checked baggage and other extra surcharges, all of which may decrease demand for air travel.

National and Global Economic Conditions

Historically, the financial performance of the air transportation industry has correlated with the state of the national and global economy. Following significant and dramatic changes which occurred in the financial markets in September 2008, the U.S. economy experienced a recession followed by weak growth. As a result of concerns about the U.S. government’s ability to resolve long-term deficits, S&P in August 2011 downgraded the credit rating of the U.S. sovereign debt from “AAA” to “AA+.” While the global economy generally has rebounded, there can be no assurances that any such rebound will continue, or that other national and international fiscal concerns will not have an adverse effect on the air transportation industry.

Public Health Risks

Public health concerns also have affected air travel demand from time to time. In 2003, concerns about the spread of severe acute respiratory syndrome (“SARS”) led public health agencies to issue advisories against nonessential travel to certain regions of the world. In 2009, concerns about the spread of influenza caused by the H1N1 virus reduced certain international travel, particularly to and from Mexico and Asia. More recently, following an outbreak of the Ebola virus in West Africa in 2014, concerns about the spread of the virus have adversely affected travel to and from certain regions of Africa. In January 2016, the Centers for Disease Control and Prevention issued a travel alert warning pregnant women to avoid travel to areas where the Zika virus, which has been linked to a type of birth defect called microcephaly, is spreading, a list that currently includes 22 countries and territories.

Aviation Safety and Security Concerns

Concerns about the safety of air travel and the effectiveness of security precautions, particularly in the context of international hostilities and domestic and foreign terrorist attacks and threats and other airline incidents may influence passenger travel behavior and air travel demand. These concerns intensified in the aftermath of the events of September 11, 2001. Travel behavior may be affected by anxieties about the safety of flying and by the inconveniences and delays associated with more stringent security screening procedures, which may give rise to the avoidance of air travel generally and the switching from air to surface travel modes.

Safety concerns in the aftermath of the terrorist attacks on September 11, 2001, were largely responsible for the steep decline in airline travel nationwide in 2002. Since 2001, government agencies, airlines, and airport operators have enhanced security measures to guard against possible terrorist incidents and maintain confidence in the safety of airline travel. These measures include strengthened aircraft cockpit doors, changed flight crew procedures, increased presence of armed sky marshals, federalization of airport security functions under the TSA, more effective dissemination of information about threats, more intensive screening of passengers, baggage, and cargo, and deployment of new screening technologies.

Aviation Security Requirements and Related Costs and Restrictions

The airlines and the federal government were primarily responsible for, and bore most of the capital costs associated with, implementing security measures after September 11, 2001. The Airport is currently in compliance with all federally mandated security requirements. The City cannot predict the effect of any future government-required security measures on passenger activity at the Airport. Nor can the City predict how the government will staff security screening functions or the effect on passenger activity of government decisions regarding its staffing levels.

Enplanements at the Airport, collections of PFCs and the receipt of Airport Revenues were negatively affected by security restrictions on the Airport and the financial condition of the air transportation industry following the terrorist attacks of September 11, 2001. The Airport, like many airport operators, experienced increased operating costs due to compliance with federally mandated and other security and operating changes. The City cannot predict the

likelihood of future incidents similar to the terrorist attacks of September 11, 2001, the possibility of increased security restrictions or the likelihood of future air transportation disruptions or the impact on the Airport or the airlines from such incidents or disruptions.

Regulations and Other Restrictions Affecting the Airport

Climate change concerns have led, and may continue to lead, to new laws and regulations at the federal and state levels that could have a material adverse effect on the operations of the Airport and on the airlines operating at the Airport. The United States Environmental Protection Agency (the “EPA”) has taken steps towards regulation of greenhouse gas (“GHG”) emissions under existing federal law. Those steps may in turn lead to further regulation of aircraft GHG emissions. On July 5, 2011, the United States District Court for the District of Columbia issued an order concluding that the EPA has a mandatory obligation under the Clean Air Act to consider whether the GHG and black carbon emissions of aircraft engines endanger public health and welfare. On June 10, 2015, EPA proposed to find that GHG emissions from certain aircraft cause and contribute to pollution that endangers public health and welfare. This proposed endangerment finding has been subject to public comment and the EPA plans to finalize the aircraft endangerment finding in mid-2016. If finalized, the EPA has stated its intent to propose GHG emission standards for covered aircraft that will be at least as stringent as emission standards under development by the International Civil Aviation Organization, which are scheduled for final review and adoption in 2016. The City cannot predict what the EPA’s emission standards will be or what effect those standards may have on the Airport or on air traffic at the Airport.

In February 2012, a four-year reauthorization bill for the FAA, the FAA Modernization and Reform Act of 2012, was enacted. This was the first long-term FAA authorization since the last such authorization expired in 2007. Between 2007 and the 2012 reauthorization, there were 23 short-term extensions of the FAA’s authority and a two-week partial shutdown of the FAA in the summer of 2011. The 2012 FAA reauthorization retained the federal cap on PFCs at \$4.50 and authorized \$3.35 billion per year for the Airport Improvement Program (“AIP”) through Fiscal Year 2015. The AIP provides federal capital grants to support airport infrastructure, including entitlement grants (determined by formulas based on passenger, cargo, and general aviation activity levels) and discretionary grants (allocated on the basis of specific set-asides and the national priority ranking system). FAA AIP expenditures are subject to congressional appropriation and no assurance can be given that the FAA will receive spending authority. In addition, the AIP could be affected by the automatic across-the-board spending cuts, known as sequestration, described below. The Airport is unable to predict the level of available AIP funding it may receive. If there is a reduction in the amount of AIP grants awarded to the Airport, such reduction could increase by a corresponding amount the capital expenditures that the Airport would need to fund from other sources (including operating revenues and additional Bonds).

Federal funding received by the Airport and aviation operations at the Airport could be adversely affected by the implementation of sequestration, a budgetary feature first introduced in the Budget Control Act of 2011. Sequestration could adversely affect FAA and TSA budgets and operations and the availability of certain federal grant funds typically received annually by

the Airport, which may cause the FAA or TSA to implement furloughs of its employees and freeze hiring, and may result in flight delays and cancellations.

Effect of Signatory Airline Bankruptcy on the Use Agreement

In the event of bankruptcy proceedings involving one or more of the Signatory Airlines, the debtor airline or its bankruptcy trustee must determine within a time period determined by the court whether to assume or reject the applicable Use Agreement. In the event of assumption, the debtor airline is required to cure any prior defaults and to provide adequate assurance of future performance under the relevant document. Rejection of the Use Agreement by any Signatory Airline gives rise to an unsecured claim of the City for damages, the amount of which may be limited by the U.S. Bankruptcy Code. The amounts unpaid as a result of a rejection of the Use Agreement by a Signatory Airline in bankruptcy can be passed on to the remaining Signatory Airlines under the Use Agreement. If the bankruptcy of one or more Signatory Airlines were to occur, however, there can be no assurance that the remaining Signatory Airlines would be able, individually or collectively, to meet their obligations under the Use Agreement. See “SECURITY FOR THE SERIES 2016 BONDS – Airport Use Agreements,” and APPENDIX A – “DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE.”

In addition, the bankruptcy of a Signatory Airline may affect the amount and timing of receipt by the City of PFCs collected by that airline.

Alternative Travel Modes and Travel Substitutes

Teleconference, video-conference and web-based meetings continue to improve in quality and price and are considered a satisfactory alternative to some face-to-face business meetings.

In addition, consumers have become more price-sensitive. Efforts of airlines to stimulate traffic by discounting fares have changed consumer expectations regarding airfares and the availability of transparent price information on the internet, which allows easier comparison shopping, has changed consumer purchasing habits. As a result, pricing and marketing have become more competitive in the United States airline industry.

Other Key Factors

Capacity limitations of the national air traffic control system at the Airport and at competing airports could be factors that might affect future activity at the Airport. In the past, demands on the air traffic control system have caused operational restrictions that have affected airline schedules and passenger traffic and caused significant delays. The FAA has made certain improvements to the computer, radar and communications equipment of the air traffic control system in recent years, but no assurances can be given that future increases in airline and passenger activity would not again adversely affect airline operations. The 2012 FAA Reauthorization Act contains numerous provisions aimed at accelerating the implementation of Next Generation Air Transport System (“NextGen”). NextGen is designed to modernize the National Airspace System from a ground-based system of air traffic control to a satellite-based system of air traffic management in order to enhance the use of airspace and runways.

Competition from Other Airports

The Akron-Canton Regional Airport (“Akron”) located approximately 60 miles away from the Airport provides competition for the Airport Service Region’s O&D passenger base. Historically, a portion of the Airport Service Region’s Origin & Destination (O&D) passengers utilized Akron as that airport introduced new air carrier service, primarily offered by low fare air carrier AirTran (acquired by Southwest Airlines in May 2011). In May 2015, Southwest Airlines announced that it was eliminating flights from Akron to Denver; Washington, DC; Boston and New York. (The Denver flight was subsequently added to Southwest Airlines’ air service schedule at the Airport.) In October 2015, Southwest Airlines announced further air service reductions at Akron by eliminating all flights to Florida destinations and Las Vegas. Akron enplaned approximately 768,000 and 847,000 passengers in calendar years 2014 and 2013, respectively—representing decreases of 9.4% and 6.4%, respectively, when compared to prior years.

Expiration and Possible Termination of Use Agreements

Pursuant to the Use Agreements, the City and each Signatory Airline agree to pay rentals, fees and charges for the Airport in an amount that is sufficient to generate revenues in an amount to allow the City to satisfy its covenants to Bondholders. The current Use Agreements expired on December 31, 2015 and is now operating on a month to month basis. Although the City intends to enter into new agreements with the Signatory Airlines, no assurances can be made with respect to such potential new use agreements. It is possible that new agreements may not be consummated with the Signatory Airlines. See “Effect of Signatory Airline Bankruptcy on the Use Agreement” above and “SECURITY FOR THE SERIES 2016 BONDS – Airport Use Agreements.”

Credit Risk of Financial Institutions Providing Credit Enhancement, Liquidity Support and Other Financial Products Relating to Revenue Bonds

The City entered into a number of liquidity, credit enhancement and other transactions involving a variety of financial institutions relating to its Revenue Bonds, including bond insurance policies. Additionally, in connection with various variable rate bond issues, the City entered into credit and liquidity agreements with and/or guaranteed by various financial institutions, including commercial and investment banks.

Each of Moody’s, Standard & Poor’s and Fitch (collectively, the “Rating Agencies”) has downgraded the claims-paying ability and financial strength ratings of most of the nation’s monoline bond insurance companies and many other financial institutions. The Rating Agencies could announce changes in rating outlook, or a review for downgrade or further downgrades of bond insurers, or credit or liquidity providers. Such adverse ratings developments with respect to bond insurers or credit or liquidity providers could have a material adverse effect on the City, including without limitation as a result of substantial increases in the City’s debt service-related costs.

A default by any of these financial institutions under its bond insurance or liquidity obligations could have a material adverse impact on Airport finances.

Variable Rate Debt and Credit and Liquidity Provider Downgrades

The Rating Agencies have downgraded the claims-paying ability and financial strength ratings of most of the nation's monoline bond insurance companies, including insurers of one or more series of Revenue Bonds. It is possible that the Rating Agencies could issue additional statements leading to a change in rating outlook, a review for downgrade or further downgrades of the bond insurers that have already been downgraded or of other bond insurers or credit enhancers. The City's exposure to the credit of downgraded bond insurers or credit enhancers could have negative effects on the City's debt portfolio with respect to Revenue Bonds. In addition to an increase in the interest rates on variable rate bonds secured by the subject credit enhancers, such downgrades, especially downgrades to below investment grade could lead to termination events or other negative effects under related agreements including, but not limited to, letters of credit. Payments required under these agreements in the event of any termination could be substantial and could have a negative impact on Airport Revenues and/or the liquidity position of the Airport.

Special Obligations

The Series 2016 Bonds are special obligations of the City and do not constitute general obligations or a pledge of the faith, credit or taxing power of the City, the State of Ohio or any political subdivision thereof. The Series 2016 Bonds are payable on a parity with the Outstanding Bonds and any Additional Revenue Bonds that may be issued under the Indenture, and are secured by a pledge of and lien on the Airport Revenues and the Special Funds as provided in the Indenture. Holders of the Series 2016 Bonds do not have the right to compel taxation in any form or to compel the City to pay debt service charges on the Series 2016 Bonds from any moneys of the City other than Airport Revenues and the Special Funds. Neither the land nor improvements comprising the Airport System nor any other property of the City, other than Airport Revenues and the Special Funds, has been pledged to secure the payment of the Series 2016 Bonds.

Forward-Looking Statements

This Official Statement, contains statements relating to future results that are "forward looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "estimate," "anticipate," "forecast," "project," "propose," "plan," "expect," "assume" and similar expressions identify forward looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward looking statements.

Enforceability of Remedies

The rights of the owners of the Revenue Bonds, including the Series 2016 Bonds, and the enforceability of the City's obligation to make payments on the Revenue Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights under existing law or under laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinion of Bond Counsel to be delivered at the time of the initial issuance of the Series 2016 Bonds as to the enforceability of

the City's obligations will be qualified as to bankruptcy and similar events and as to the application of equitable principles and the exercise of judicial discretion in appropriate cases and to common law and statutes affecting the enforceability of contractual obligations generally and to principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the City.

LEGAL OPINION

Certain legal matters incident to the issuance of the Series 2016 Bonds and with regard to the tax-exempt status of the interest on the Series 2016 Bonds (see "TAX MATTERS") are subject to the opinion of Squire Patton Boggs (US) LLP, Bond Counsel to the City. The signed legal opinions of Bond Counsel, substantially in the forms attached hereto as APPENDIX B, dated and premised on law in effect on the respective dates of issuance of the Series 2016 Bonds, will be delivered on the respective dates of issuance of the Series 2016 Bonds. The text of the opinions to be delivered may vary from the text as set forth in APPENDIX B if necessary to reflect facts and law on the respective dates of delivery. The opinions will speak only as of their dates, and subsequent distribution of them by recirculation of this Official Statement or otherwise shall create no implication that Bond Counsel has reviewed or expresses any opinion concerning any of the matters referred to in the opinions subsequent to their dates.

The opinions of Bond Counsel and any other legal opinions and letters of counsel to be delivered concurrently with the delivery of the Series 2016 Bonds express the professional judgment of the attorneys rendering the opinions or advice regarding the legal issues and other matters expressly addressed therein. By rendering a legal opinion or advice, the giver of such opinion or advice does not become an insurer or guarantor of the result indicated by that opinion, or the transaction on which the opinion or advice is rendered, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

As Bond Counsel, Squire Patton Boggs (US) LLP has participated in the preparation of, and has reviewed those portions of, this Official Statement pertaining to the Series 2016 Bonds, security and sources of payment for the Series 2016 Bonds, the Indenture and the Use Agreements under "INTRODUCTION – Description and Purpose of the Series 2016 Bonds," "– Security for the Series 2016 Bonds," and "– Outstanding and Additional Revenue Bonds," "SECURITY FOR THE SERIES 2016 BONDS," "DESCRIPTION OF THE SERIES 2016 BONDS," and "TAX MATTERS" insofar as such information summarizes the terms of the Series 2016 Bonds and the treatment of the interest on the Series 2016 Bonds under federal income tax laws and Ohio law, as well as "APPENDIX A – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE." Bond Counsel will deliver to the Underwriters at the time of original delivery of the Series 2016 Bonds opinions as to the fairness and accuracy of those portions. Bond Counsel, however, has not been engaged to, and will not, independently confirm or verify that information or any other information provided by the City or others, and will not express an opinion as to the accuracy or fairness of any such information or any other reports, financial information, offering or disclosure documents or other information pertaining to the Series 2016 Bonds that may be prepared or made available by the City or others to the purchasers or owners of the Series 2016 Bonds or of book entry interests or to others.

In addition to rendering the legal opinions, Bond Counsel will assist in the preparation of and advise the City concerning documents for the bond transcript.

Bond Counsel expresses no opinion as to the Statement of Insurance on the Series 2016 Bonds or as to the insurance referred to in that Statement and in this Official Statement in the sections captioned “BOND INSURANCE” and “APPENDIX E – SPECIMEN BOND INSURANCE POLICY.”

The City has also retained the legal services of Squire Patton Boggs (US) LLP from time to time as special counsel in connection with matters that do not relate to City financings. Squire Patton Boggs (US) LLP has served from time to time as counsel to certain of the firms among the Underwriters in matters unrelated to the Series 2016 Bonds.

LITIGATION

To the knowledge of the appropriate officials of the City, no litigation or administrative action or proceeding is pending or threatened (a) restraining or enjoining, or seeking to restrain or enjoin (i) the issuance and delivery of the Series 2016 Bonds, (ii) the execution and delivery of the Twenty-First Supplemental Indenture or the Twenty-Second Supplemental Indenture, or (iii) the collection or pledge of the Airport Revenues or the moneys in the Special Funds to pay debt service charges on the Series 2016 Bonds, or (b) contesting or questioning (i) the proceedings and authority under which the Series 2016 Bonds have been authorized and are to be issued, sold, executed or delivered or under which the Indenture, including the Twenty-First Supplemental Indenture and the Twenty-Second Supplemental Indenture, has been executed and delivered, (ii) the validity of the Series 2016 Bonds or the Indenture, including the Twenty-First Supplemental Indenture and the Twenty-Second Supplemental Indenture, or (iii) the powers of authority of the City with respect thereto or with respect to the fixing and collecting of rates and charges for the Airport System, or (c) challenging the City’s right to own or operate the Airport System. The City will deliver a certificate to that effect to the Underwriters at the time of original delivery of the Series 2016 Bonds to the Underwriters.

In addition to the legal proceedings described below, the City is a party to various legal proceedings seeking damages or injunctive or other relief generally incidental to its operations. These proceedings are not directly related to the Series 2016 Bonds or the security for the Series 2016 Bonds. The ultimate disposition of these proceedings is not now determinable. It is the opinion of the City’s Director of Law, based on her present understanding and knowledge of these proceedings, that the disposition of these proceedings, individually or in the aggregate, will not result in liabilities in an amount which, in the opinion of the City’s Director of Finance, will have a material adverse effect on the Series 2016 Bonds, the security for the Series 2016 Bonds or the current operations of the Airport System.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Upon delivery of the Series 2016 Bonds, Causey Demgen & Moore P.C., certified public accountants (the “Verification Agent”) will deliver reports on the mathematical accuracy of certain computations contained in schedules provided to them by the Underwriter on behalf of

the City relating to computation of forecasted receipts of principal and interest on the securities held in the Escrow Funds to refund the Refunded Bonds on the Redemption Dates.

Such computations will be based solely on assumptions and information supplied by the Underwriter on behalf of the City, and the Verification Agent has restricted its procedures to examining the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which such computations are based. Accordingly, the Verification Agent has not expressed an opinion on the data used, the reasonableness of the assumptions, or the ability to achieve the forecasted outcome.

TAX MATTERS

Series 2016 Bonds

In the opinion of Squire Patton Boggs (US) LLP, Bond Counsel, under existing law: (i) interest on the Series 2016 Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; and (ii) interest on, and any profit made on the sale, exchange or other disposition of, the Series 2016 Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. Bond Counsel expresses no opinion as to any other tax consequences regarding the Series 2016 Bonds.

The opinion on tax matters will be based on and will assume the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City contained in the transcript of proceedings and that are intended to evidence and assure the foregoing, including that the Series 2016 Bonds are and will remain obligations the interest on which is excluded from gross income for federal income tax purposes. Bond Counsel will not independently verify the accuracy of the City’s certifications and representations or the continuing compliance with the City’s covenants.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel’s legal judgment as to exclusion of interest on the Series 2016 Bonds from gross income for federal income tax purposes but is not a guaranty of that conclusion. The opinion is not binding on the Internal Revenue Service (“IRS”) or any court. Bond Counsel expresses no opinion about (i) the effect of future changes in the Code and the applicable regulations under the Code or (ii) the interpretation and the enforcement of the Code or those regulations by the IRS.

The Code prescribes a number of qualifications and conditions for the interest on state and local government obligations to be and to remain excluded from gross income for federal income tax purposes, some of which require future or continued compliance after issuance of the obligations. Noncompliance with these requirements by the City may cause loss of such status and result in the interest on the Series 2016 Bonds being included in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2016 Bonds. The City has

covenanted to take the actions required of it for the interest on the Series 2016 Bonds to be and to remain excluded from gross income for federal income tax purposes, and not to take any actions that would adversely affect that exclusion. After the date of issuance of the Series 2016 Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Series 2016 Bonds or the market value of the Series 2016 Bonds.

A portion of the interest on the Series 2016 Bonds earned by certain corporations may be subject to a federal corporate alternative minimum tax. In addition, interest on the Series 2016 Bonds may be subject to a federal branch profits tax imposed on certain foreign corporations doing business in the United States and to a federal tax imposed on excess net passive income of certain S corporations. Under the Code, the exclusion of interest from gross income for federal income tax purposes may have certain adverse federal income tax consequences on items of income, deduction or credit for certain taxpayers, including financial institutions, certain insurance companies, recipients of Social Security and Railroad Retirement benefits, those that are deemed to incur or continue indebtedness to acquire or carry tax-exempt obligations, and individuals otherwise eligible for the earned income tax credit. The applicability and extent of these and other tax consequences will depend upon the particular tax status or other tax items of the owner of the Series 2016 Bonds. Bond Counsel will express no opinion regarding those consequences.

Payments of interest on tax-exempt obligations, including the Series 2016 Bonds, are generally subject to IRS Form 1099-INT information reporting requirements. If a Bond owner is subject to backup withholding under those requirements, then payments of interest will also be subject to backup withholding. Those requirements do not affect the exclusion of such interest from gross income for federal income tax purposes.

Bond Counsel's engagement with respect to the Series 2016 Bonds ends with the issuance of the Series 2016 Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the owners of the Series 2016 Bonds regarding the tax status of interest thereon in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Series 2016 Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Series 2016 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit. Any action of the IRS, including but not limited to selection of the Series 2016 Bonds for audit, or the course or result of such audit, or an audit of other obligations presenting similar tax issues, may affect the market value of the Series 2016 Bonds.

Prospective purchasers of the Series 2016 Bonds upon their original issuance at prices other than the respective prices indicated on the inside cover of this Official Statement, and prospective purchasers of the Series 2016 Bonds at other than their original issuance, should consult their own tax advisers regarding other tax considerations such as the consequences of market discount, as to all of which Bond Counsel expresses no opinion.

Risk of Future Legislative Changes and/or Court Decisions

Legislation affecting tax-exempt obligations is regularly considered by the United States Congress and may also be considered by the State legislature. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Series 2016 Bonds. There can be no assurance that legislation enacted or proposed, or actions by a court, after the date of issuance of the Series 2016 Bonds will not have an adverse effect on the tax status of interest or other income on the Series 2016 Bonds or the market value or marketability of the Series 2016 Bonds. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Series 2016 Bonds from gross income for federal or state income tax purposes for all or certain taxpayers.

For example, recent presidential and legislative proposals would eliminate, reduce or otherwise alter the tax benefits currently provided to certain owners of state and local government bonds, including proposals that would result in additional federal income tax on taxpayers that own tax-exempt obligations if their incomes exceed certain thresholds. Investors in the Series 2016 Bonds should be aware that any such future legislative actions (including federal income tax reform) may retroactively change the treatment of all or a portion of the interest on the Series 2016 Bonds for federal income tax purposes for all or certain taxpayers. In such event, the market value of the Series 2016 Bonds may be adversely affected and the ability of holders to sell their Series 2016 Bonds in the secondary market may be reduced. The Series 2016 Bonds are not subject to special mandatory redemption, and the interest rates on the Series 2016 Bonds are not subject to adjustment in the event of any such change.

Investors should consult their own financial and tax advisers to analyze the importance of these risks.

Original Issue Premium

The Series 2016 Bonds (“Premium Bonds”) were offered and sold to the public at prices in excess of their stated redemption price at maturity (the principal amount). That excess constitutes bond premium. For federal income tax purposes, bond premium is amortized over the period to maturity of a Premium Bond, based on the yield to maturity of that Premium Bond (or, in the case of a Premium Bond callable prior to its stated maturity, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on that Premium Bond), compounded semiannually. No portion of that bond premium is deductible by the owner of a Premium Bond. For purposes of determining the owner’s gain or loss on the sale, redemption (including redemption at maturity) or other disposition of a Premium Bond, the owner’s tax basis in the Premium Bond is reduced by the amount of bond premium that is amortized during the period of ownership. As a result, an owner may realize taxable gain for federal income tax purposes from the sale or other disposition of a Premium Bond for an amount equal to or less than the amount paid by the owner for that Premium Bond. A purchaser of a Premium Bond in the initial public offering at the price for that Premium Bond stated on the cover of this Official Statement who holds that Premium Bond to maturity (or, in the case of a callable Premium Bond, to its earlier call date that results in the

lowest yield on that Premium Bond) will realize no gain or loss upon the retirement of that Premium Bond.

Owners of Premium Bonds should consult their own tax advisers as to the determination for federal income tax purposes of the amount of bond premium properly accruable or amortizable in any period with respect to the Premium Bonds and as to other federal tax consequences and the treatment of bond premium for purposes of state and local taxes on, or based on, income.

CONTINUING DISCLOSURE

The City has agreed, for the benefit of the holders and beneficial owners from time to time of the Series 2016 Bonds, in accordance with SEC Rule 15c2-12 (the “Rule”), to provide or cause to be provided to the Municipal Securities Rulemaking Board such annual financial information and operating data, audited financial statements and notices of the occurrence of certain events in such manner as may be required for purposes of paragraph (b)(5)(i) of the Rule (the “Continuing Disclosure Agreement”). See “APPENDIX D – CONTINUING DISCLOSURE AGREEMENTS.” The performance by the City of the Continuing Disclosure Agreement will be subject to the annual appropriation by the City of any funds that may be necessary to perform it. The Continuing Disclosure Agreement will remain in effect only for such period that the Series 2016 Bonds are outstanding in accordance with their terms and the City remains an Obligated Person with respect to the Series 2016 Bonds within the meaning of the Rule.

The City believes that it has complied in all material respects with its previous continuing disclosure undertakings under the Rule during the past five years, including the most recent continuing disclosure filing posted to EMMA on July 28, 2015 but the City notes the following instances of noncompliance, including: (i) it did not file or did not file on a timely basis event notices relating to certain changes to ratings assigned to the insurers of insured bonds or to the underlying ratings, (ii) it filed certain annual reports on June 30 of each year, which at times was one or two days later than the 180th day following the end of the fiscal year of the City, (iii) it filed certain annual reports on July 30 or July 31 of each year, which at times was one or two days later than the 210th day following the end of the fiscal year of the City, (iv) in 2012 it mistakenly uploaded the incorrect file for its parking revenue bonds 2011 annual information filing but corrected that filing as soon as the mistake was brought to its attention, (v) it did not file a statement every year that Continental/United Airlines’ annual reports were available on the SEC’s EDGAR website, (vi) certain annual reports filed by the City were not properly matched with all required CUSIP numbers, (vii) it amended one page on its 2013 Airport Annual Filing to add a column of information regarding enplaned passengers that was mistakenly excluded on the original version, (viii) it mistakenly omitted the required “CPP Net Gain of CEI Meters” table from its CPP Annual Filings for Fiscal Years 2010, 2011, 2012 and 2013, and (ix) it mistakenly omitted certain required information from the “Debt Service Requirements and Pledged Taxes” table in filings related to the Income Tax Receipts Obligations and the “Total Restricted and Unrestricted Income Tax Receipts” table in filings related to the Series 2008 Subordinate Lien Unrestricted Income Tax Bonds for fiscal years 2010-2013, which omissions were corrected in the City’s 2014 annual filings for those bonds. All necessary notices and omitted information have been filed prior to the date of this Official Statement. In addition, the City has notified

Continental/United Airlines about the necessity of posting on EMMA the availability of its annual reports pursuant to United's continuing disclosure agreements as an obligated person that were entered into with the trustee of the City's airport revenue bonds. The foregoing description of instances of non-compliance by the City with continuing disclosure undertakings should not be construed as an acknowledgment that any such instance was material. The City has reviewed the current requirements of the Rule and adopted procedures to ensure full compliance with the Rule.

United Airlines

United Airlines will enter into an agreement with the Trustee in which United Airlines will agree to provide or cause to be provided to the MSRB (a) such reports as United Airlines files with the SEC on Form 10-K or a successor form and, in the event that United Airlines no longer is required to file such reports on Form 10-K or a successor form, United Airlines' audited financial statements prepared in accordance with generally accepted accounting principles and such related financial and operating data disclosure as is made available to United Airlines' public shareholders generally or, in the event that United Airlines no longer is required to file such reports on Form 10-K or a successor form and no longer has any public shareholders, information concerning United Airlines' business and properties, selected financial data and management's discussion and analysis, together with United Airlines' audited financial statements prepared in accordance with generally accepted accounting principles, comparable to the information contained in such report on Form 10-K (the "Airline Financial Information") and (b) notice of the following events: (i) failure to provide or cause to be provided the Airline Financial Information on or prior to the filing date (ii) any change in the fiscal year of United Airlines, (iii) any change in the accounting principles applied in the preparation of the Airline Financial Information and (iv) termination of the agreement.

INDEPENDENT ACCOUNTANTS

The financial statements of the City of Cleveland, Department of Port Control, Divisions of Cleveland Hopkins International and Burke Lakefront Airports for the years ended December 31, 2014 and 2013 have been audited by Clark, Schaefer, Hackett & Co., Inc., as stated in their report. The Independent Auditor's reports for the years ended December 31, 2013 and 2014 are currently located on the State Auditor's website at <https://ohioauditor.gov/auditsearch/results.aspx>.

FINANCIAL ADVISORS

The City has retained Government Capital Management, LLC and Phoenix Capital Partners, LLP as co-financial advisors (the "Financial Advisors") to the City, in connection with the issuance of the Series 2016 Bonds. The Financial Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or to assume the responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Government Capital Management, LLC and Phoenix Capital Partners, LLP are independent financial advisory firms and are not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated, as representative (the “Representative”) of itself and J.P. Morgan Securities LLC, Estrada Hinojosa & Company, Inc., IFS Securities, Inc., Loop Capital Markets, Merrill Lynch, Pierce, Fenner & Smith Incorporated and The Williams Capital Group, L.P. (collectively, the “Underwriters”), has agreed, subject to certain conditions, to purchase the Series 2016 Bonds from the City. The Series 2016A Bonds are being purchased by the Underwriters at a purchase price of \$128,121,014.40, which represents the par amount of the Series 2016A Bonds (\$108,120,000.00), plus original issue premium of \$20,553,485.80, less an Underwriters’ discount of \$552,471.40. The Series 2016B Bonds are being purchased by the Underwriters at a purchase price of \$41,498,452.37, which represents the par amount of the Series 2016B Bonds (\$36,235,000.00), plus original issue premium of \$5,460,559.70, less an Underwriters’ discount of \$197,107.33.

The Series 2016A Bond Purchase Agreement and the Series 2016B Forward Delivery Bond Purchase Agreement, each between the Representative and the City, provide that the Underwriters will purchase all of the applicable Series 2016 Bonds if any are purchased and that the purchase is subject to certain conditions, for purposes of resale.

The Underwriters have furnished the information in this Official Statement pertaining to the applicable public offering prices of the Series 2016 Bonds and have participated in the preparation of portions of this Official Statement. The public offering prices of the Series 2016 Bonds may be changed from time to time by the Underwriters, and the Underwriters may offer and sell the Series 2016 Bonds to certain dealers (including dealers depositing into investment trusts) and others at prices lower than the public offering prices set forth on the inside cover page of this Official Statement.

J.P. Morgan Securities LLC (“JPMS”), one of the Underwriters of the Series 2016 Bonds, has entered into negotiated dealer agreements (each, a “Dealer Agreement”) with each of Charles Schwab & Co., Inc. (“CS&Co.”) and LPL Financial LLC (“LPL”) for the retail distribution of certain securities offerings, including the Series 2016 Bonds, at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Series 2016 Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Series 2016 Bonds that such firm sells. In the ordinary course of its business, JPMS and certain of its affiliates have engaged, and may in the future engage, in investment banking or commercial banking transactions with the City. JPMS is a wholly owned indirect subsidiary of J.P. Morgan Chase & Co. and JPMorgan Chase Bank National Association is a wholly owned direct subsidiary of J.P. Morgan Chase & Co. JPMorgan Chase Bank, National Association provides a letter of credit for certain of the Airport Revenue Bonds and JPMS serves as remarketing agent for various Airport Revenue Bonds.

Loop Capital Markets LLC (“LCM”), one of the Underwriters of the Series 2016 Bonds, has entered into distribution agreements (each a “Distribution Agreement”) with each of UBS Financial Services Inc. (“UBSFS”) and Deutsche Bank Securities Inc. (“DBS”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Distribution Agreement, each of UBSFS and DBS will purchase Bonds from LCM at the original

issue prices less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

THE TRUSTEE

The Trustee, The Bank of New York Mellon Trust Company, N.A., is a national banking association organized and existing under and by virtue of the laws of the United States of America and duly authorized to exercise corporate trust powers under the laws of the State of Ohio. The Designated Office of the Trustee is 1660 West Second Street, Suite 830, Cleveland, Ohio 44113.

RATINGS

In connection with the delivery of each of the Series 2016 Bonds, Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies Inc. ("S&P") are expected to assign each Series of the 2016 Bonds, their ratings of "A2" and "AA," respectively, based upon the issuance of the Policies by AGM. In addition, Moody's, S&P and Fitch Ratings ("Fitch") have assigned their ratings of "Baa1," "A-" and "BBB+," respectively, to the Series 2016 Bonds, based upon the underlying credit without regard to insurance.

No application has been made to any other rating agency for the purpose of obtaining an additional rating on the Series 2016 Bonds. A rating reflects only the views of the rating agency and any explanations of the significance of those ratings may be obtained from the respective rating agencies. There is no assurance that those ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of the rating agencies, if, in their judgment, circumstances so warrant. Any downward revision or withdrawal of those ratings may have an adverse effect on the market price of the Series 2016 Bonds. The City and the Underwriters have undertaken no responsibility either to bring to the attention of the holders of the Series 2016 Bonds any proposed change in or withdrawal of the ratings or to oppose any revision or withdrawal.

CONCLUDING STATEMENT

To the extent that any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated to be such, they are made as such and not as representations of facts or certainty, and no representation is made that any of such statements have been or will be realized. Information in this Official Statement has been derived by the City from official and other sources and is believed by the City to be accurate and reliable. Information other than that obtained from official records of the City has not been independently confirmed or verified by the City and its accuracy is not guaranteed.

The summaries and descriptions of provisions of the Indenture and all references to other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials summarized or described. Copies of the Indenture may be obtained from the City or, during the offering period, from the Underwriters.

The agreement of the City with the owners of the Series 2016 Bonds is fully set forth in the Indenture. Neither this Official Statement nor any statement that may have been or that may be made orally or in writing is to be construed as or as part of a contract with the original purchasers or subsequent holders of the Series 2016 Bonds.

This Official Statement has been prepared and delivered by the City and executed for and on behalf of the City by its Director of Finance and interim Director of Port Control.

CITY OF CLEVELAND, OHIO

By: /s/ Sharon Dumas
Director of Finance

By: /s/ Fred Szabo
Director of Port Control

PART II

CERTAIN INFORMATION REGARDING THE CITY, THE AIRPORT SYSTEM AND THE AVIATION SECTOR

THE CITY

General

The City is a municipal corporation and political subdivision of the State of Ohio (the “State” or “Ohio”). It is located on the southern shore of Lake Erie and is the county seat of Cuyahoga County (the “County”) located in northeastern Ohio. The City was incorporated as a Village in 1836 and became a City in 1848.

The City operates under and is governed by its Charter, which was first adopted by the voters in 1913 and has been and may be further amended by the voters from time to time. The City is also subject to certain general State laws that are applicable to all cities in the State. In addition, under Article XVIII, Section 3 of the Constitution of the State, the City may exercise all powers of local self-government and may exercise police powers to the extent not in conflict with applicable general State laws. The Charter provides for a mayor-council form of government.

Legislative authority is currently vested in a 17-member Council (“Council”). The terms of Council members and the Mayor are four years. All Council members are elected from wards. The current terms of the Mayor and Council members expire on January 1, 2018. The Council fixes compensation of City officials and employees and enacts ordinances and resolutions relating to City services, tax levies, appropriating and borrowing money, licensing and regulating businesses and trades, and other municipal functions. The presiding officer is the President of Council, who is elected by the City Council members. Kevin J. Kelley was elected President of Council for the term beginning January 6, 2014. The Clerk of Council is appointed by Council.

Pursuant to the City Charter, City Council is required from time to time to re-divide the City into wards based on the City’s population. Currently, there are 17 wards in the City.

The City’s chief executive and administrative officer is the Mayor who is elected by the voters for a four-year term. On November 5, 2013, Frank G. Jackson was re-elected Mayor of the City for a third term beginning January 6, 2014. Prior to assuming office as Mayor, Mr. Jackson served as President of Council from January 2002 through December 2005 and as Ward 5 Council Member since 1989. The Mayor may veto any legislation passed by Council. A veto may be overridden by a two-thirds vote of all members of the Council.

The Charter establishes certain administrative departments and the Council may establish divisions thereof or additional departments. The Mayor appoints all of the directors of the City’s 14 departments.

The responsibilities for the City’s major financial functions are vested in the Director of Finance. The Director of Finance is responsible for preparing and implementing the City’s

current Operating Budget and Capital Improvement Plan, collecting the City's revenues, and procuring the City's goods and services and making payments therefor. The Director of Finance is also responsible for maintaining an effective system of internal accounting control, which includes the maintenance of a centralized accounting system and the supervision of the City's internal audit staff.

The Director of Finance for the City is Sharon A. Dumas. Ms. Dumas served as Assistant Director of Finance for Budget and Capital from October 13, 2003 until her appointment as Director of Finance on March 29, 2006. Prior to joining the City of Cleveland Finance Department, Ms. Dumas worked as Assistant Director of Community Development for the City. Ms. Dumas also served as Finance Director for the City of East Cleveland, Ohio from 1988 to 1994. Ms. Dumas holds a Masters of Accounting and Financial Information Systems from Cleveland State University and has over thirty years of experience in private and public sector accounting.

James T. Hartley was named an Assistant Finance Director in April 2007 and, in addition, has served as acting City Treasurer and now City Treasurer since April 2008. Prior to accepting his current positions, Mr. Hartley was the Chief Investment Officer for the Ohio Treasurer of State from 1999 until 2007. As a member of the Treasurer's senior staff, he was responsible for overseeing and directing the State's investment program, including the State Operating Fund, STAR Ohio Local Government Investment Pool, and the State Tobacco Settlement Funds.

James E. Gentile, CPA, returned to the City as Controller in February 2002. Prior to accepting the position, Mr. Gentile was Deputy Auditor for the Auditor of State's Office since 1995 where he planned and supervised audits of cities, school districts and other local government agencies. From 1991 through 1995, he was employed by the City as an accountant and, in his final year, as Acting City Controller.

Elizabeth C. Hruby has served as the City's debt manager since 1996. She is the Assistant Secretary to the Sinking Fund Commission. She has been employed by the City since 1982 when she began as a Budget Analyst in the Office of Budget and Management. She was promoted to Operating Budget Manager in 1987 and was responsible for the development and monitoring of the City's annual operating budget. From January 7, 2002 until April 1, 2002, Ms. Hruby served as interim Director of Finance for the City.

The following information updates certain economic and demographic information about the City, the County and the related metropolitan statistical area but does not provide information with respect to the entire Airport Service Region.

Population

In the 2010 Census classifications, the City was in the Cleveland-Elyria-Mentor Metropolitan Statistical Area ("MSA"), which consists of Cuyahoga, Geauga, Lake, Lorain and Medina counties. In 2010, the MSA had a population of 2,077,240, ranking it the 28th largest metropolitan area (out of 366) in the United States. The City was also in the Cleveland-Lorain-Elyria Primary Metropolitan Statistical Area ("PMSA"), which consisted of the counties of

Ashtabula, Cuyahoga, Geauga, Lake, Lorain and Medina and the Cleveland-Akron Consolidated Metropolitan Statistical Area (“CMSA”), which consisted of eight northeast Ohio counties until June of 2003 when the U.S. Census Bureau ceased using the PMSA and CMSA distinctions.

Set forth below are population statistics from the U.S. Bureau of the Census for the City, the County, the PMSA, the CMSA and the State for each decade from 1970 to 2000 and for the City, the County, the PMSA, and the State for 2010 and estimated for 2014.

<u>Year</u>	<u>City</u>	<u>County</u>	<u>PMSA</u>	<u>CMSA</u>	<u>State</u>
1970	750,973	1,721,330	2,418,809	2,999,811	10,652,017
1980	573,822	1,498,400	2,277,949	2,834,412	10,797,630
1990	505,616	1,412,140	2,202,069	2,859,644	10,847,115
2000	478,403	1,393,978	2,250,871	2,945,831	11,353,140
2010	396,815	1,280,122	2,077,240 ¹	N/A	11,536,504
2014 –est.	389,521	1,259,828	2,063,598 ¹	N/A	11,594,163

Source: U.S. Bureau of the Census.

Employment

The following table compares estimated employment and unemployment statistics (annual averages) for the City, the County and the MSA, including comparisons with unemployment rates for the State and the United States.

Year	Employment Statistics²						Unemployment Rate				
	City	Employed County	MSA	City	County	MSA	City	County	MSA	Ohio	U.S.
2006	173,200	619,300	1,033,500	12,000	33,100	53,100	6.5%	5.1%	4.9%	5.4%	4.6%
2007	172,400	616,500	1,035,100	13,400	37,200	59,700	7.2	5.7	5.5	5.6	4.6
2008	168,900	604,200	1,020,200	14,300	40,000	64,900	7.8	6.2	6.0	6.4	5.8
2009	159,800	571,100	972,500	18,900	54,500	91,200	10.6	8.7	8.6	10.3	9.3
2010	148,800	577,900	964,100	17,900	53,800	87,900	10.8	8.5	8.4	10.3	9.6
2011	148,200	577,000	965,800	16,000	47,600	76,800	9.7	7.6	7.4	8.8	8.9
2012	148,700	579,100	970,900	14,200	42,400	68,400	8.7	6.8	6.6	7.4	8.1
2013	148,200	577,500	970,600	14,700	44,300	72,000	9.0	7.1	6.9	7.5	7.4
2014	150,000	584,400	982,000	13,100	39,900	64,500	8.0	6.4	6.2	5.7	6.2
2015 ³	151,100	588,900	989,600	11,200	33,800	54,900	6.9	5.4	5.3	4.9	5.3

Source: Ohio Department of Job & Family Services, Labor Market Information Division. City and County estimates are NOT seasonally adjusted.

¹ Indicates population for the MSA.

² Rounded to the nearest hundred.

³ As of December 2015.

The following table indicates the distribution of employee classifications in the MSA for the years 2009 through 2014 and as of November 2015:

	Distribution of Employees by Sector (Amounts in thousands)						November
	2009	2010	2011	2012	2013	2014	2015
Goods Producing Industries							
Mining, Logging, Construction	33.2	31.6	32.8	33.4	34.1	35.2	39.3
Primary Metal	8.2	8.1	8.2	8.7	8.8	8.7	8.3
Fabricated Metal	25.9	25.7	27.2	27.7	27.5	27.9	27.3
Transportation Equipment	10.9	11.2	11.8	12.2	12.6	12.5	12.8
Other	73.5	71.5	72.9	74.4	74.9	74.9	76.4
Total Goods Producing Industries	151.7	148.1	152.9	156.4	157.9	159.2	164.1
Service Producing Industries							
Transportation & Public Utilities	30.6	29.3	29.2	29.8	30.3	30.2	30.1
Wholesale Trade	48.3	46.6	47.9	49.6	49.4	50.2	51.4
Retail Trade	101.9	100.2	100.2	101.2	101.8	101.3	104.5
Finance, Insurance & Real Estate	65.8	64.6	63.4	62.9	62.8	64.9	68.5
Health Services	153.1	156.0	157.3	161.6	164.0	163.0	169.4
Other Services	308.9	307.6	315.0	321.7	327.3	334.2	341.9
Federal Government	19.0	20.1	19.0	18.5	18.3	18.3	18.7
State Government	7.5	7.5	7.2	7.0	6.9	7.3	7.7
Local Government	114.1	111.1	109.1	107.9	107.6	108.2	110.7
Total Service Producing Industries	849.2	843.0	848.3	860.2	868.4	877.6	902.9
Total	<u>1,000.9</u>	<u>991.1</u>	<u>1,001.2</u>	<u>1,016.6</u>	<u>1,026.3</u>	<u>1,036.7</u>	<u>1,067.0</u>
Goods Producing Percentage	15.2%	14.9%	15.3%	15.4%	15.4%	15.4%	15.4%
Service Producing Percentage	84.8%	85.1%	84.7%	84.6%	84.6%	84.6%	84.6%

Source: Ohio Department of Job & Family Services, Labor Market Information Division.

The following table indicates the per capita income for the County, the MSA, the State, and the United States for the years 2004 through 2013.

Per Capita Income

<u>Year</u>	<u>County</u>	<u>MSA</u>	<u>Ohio</u>	<u>U.S.</u>
2004	\$35,969	\$34,853	\$31,776	\$34,300
2005	37,235	36,161	32,758	35,888
2006	39,621	38,350	34,422	38,127
2007	41,012	39,751	36,199	39,804
2008	42,432	40,827	36,399	40,873
2009	40,369	39,192	35,527	39,379
2010	41,325	40,114	36,199	40,144
2011	44,216	42,964	38,631	42,332
2012	46,395	44,937	40,230	44,200
2013	47,294	45,747	41,049	44,765

Source: U.S. Bureau of Economic Analysis.

The income per household in the City and the County is estimated to be distributed as set forth in the following table:

Income and Benefits¹	City		County	
	# Households	% Households	# Households	% Households
Less than \$10,000	33,697	20.2%	57,616	10.8%
\$10,000 to \$14,999	17,899	10.7%	36,035	6.7%
\$15,000 to \$24,999	28,801	17.3%	67,412	12.6%
\$25,000 to \$34,999	20,925	12.5%	59,637	11.2%
\$35,000 to \$49,000	23,120	13.9%	74,828	14.0%
\$50,000 to \$74,999	21,034	12.6%	88,860	16.6%
\$75,000 to \$99,999	10,406	6.2%	56,493	10.6%
\$100,000 to 149,999	7,903	4.7%	56,021	10.5%
\$150,000 to 199,999	1,620	1.0%	18,346	3.4%
\$200,000 or more	1,452	0.9%	19,228	3.6%

Source: U.S. Census Bureau Selected Economic Characteristics in the United States 2009-2013.

The U.S. Census Bureau also estimates that 35.4% of the people in the City and 18.8% of the people in the County have incomes that fall below the poverty level.

Home Values, Housing Units and Home Sales

The 2013 estimated median value of owner-occupied homes in the City, the County and the MSA were \$76,700, \$125,700, and \$141,700, respectively, compared with \$130,800 in the State and \$176,700 in the United States. The number of housing units within the City for the nine-year period from 2005 to 2013 decreased by 3.73%, from 214,821 to 206,803, compared with a decrease of 0.49% for the County, from 620,564 to 617,545. (All figures in this paragraph are derived from the U.S. Bureau of the Census.) In recent years, as part of the City’s community development initiatives, the City has provided financial assistance to nonprofit and for-profit developers to stimulate new housing construction in the City and made additional efforts to address increased foreclosures. See “Housing and Neighborhood Development.”

¹ In 2013 inflation-adjusted dollars.

Listed below are sale price summary statistics for the City and the County, respectively.

Housing Sales Statistics 2010 – 2014

Year	City		County	
	Number of Sales	Average Sales Price	Number of Sales	Average Sales Price
2010	2,005	\$60,398	9,265	\$142,804
2011	2,307	54,638	10,132	128,300
2012	2,432	57,842	11,915	133,129
2013	2,809	59,737	13,674	139,950
2014	3,761	54,548	16,021	129,634

Source: The County.

Building Permits

The following table shows information concerning the filing with the County of building permits for construction and demolition and the net assessed valuation (not the actual construction or demolition cost) of those building permits as determined by the County, for the City by class:

	2010		2011		2012		2013		2014	
	# of Permits	Assessed Value ¹	# of Permits	Assessed Value ¹	# of Permits	Assessed Value ¹	# of Permits	Assessed Value ¹	# of Permits	Assessed Value ¹
Commercial	880	\$74,221	781	\$192,044	698	\$63,958	786	\$157,917	758	\$153,627
Industrial	103	5,206	84	3,428	106	4,470	154	8,858	105	4,403
Exempt	143	10,868	150	6,300	393	0	381	713	318	427
Public Util.	1	0	1	0	2	0	0	0	0	0
Residential	3,417	10,183	3,253	7,394	3,616	6,838	4,330	13,622	4,907	7,853
Total:	4,544	\$100,478	4,269	\$209,166	4,815	\$75,266	5,651	\$181,110	6,088	\$166,310

Source: The County.

Utilities

The MSA is well served with adequate and reliable water and energy resources. The principal source of water in the MSA is Lake Erie, the twelfth largest lake in the world. The principal provider of potable water in the County is the City's Division of Water. A large amount of fresh water is available to the area for its foreseeable needs. The two principal providers of electric energy in the MSA are the City's Cleveland Public Power and The Cleveland Electric Illuminating Company, a wholly owned electric utility operating as a subsidiary of FirstEnergy Corp. Sewer services in the MSA are provided by the Northeast Ohio Regional Sewer District.

Transportation

The City is a major regional center for economic and commercial activity and is served by diversified transportation facilities. There is immediate access to six United States' highways

¹ In thousands.

and seven interstate highways. The Cleveland Innerbelt Modernization Plan is focused on improving safety, reducing congestion and traffic delays, and modernizing interstate travel along I-71, I-77 and I-90 through downtown Cleveland. This investment by the State of Ohio will rehabilitate and reconstruct the Innerbelt Freeway system – including construction of two new bridges to carry I-90 traffic – and address operational, design, safety and access shortcomings that severely impact the ability of the Innerbelt Freeway system to meet the transportation needs of Northeast Ohio. The Ohio Department of Transportation (“ODOT”) commenced construction of a new Innerbelt Bridge that was completed in the fall of 2013. Demolition of the old bridge has been completed. ODOT plans to build a new eastbound bridge in its place. Upon completion of the proposed second bridge, there will be a two bridge system to accommodate the more than 138,000 vehicles that cross the bridge each day. Total costs for the construction of the two bridges are estimated to be \$560.4 million.

In the fall of 2014, ODOT commenced construction on its Opportunity Corridor Project, a three-mile, approximately \$331 million road project that is designed to improve the transportation system and support planned economic development within the City in the areas between I-490/I-77 and University Circle. The Opportunity Corridor encompasses nearly 1,000 acres on the City’s southeast side and is anchored by University Circle and the Cleveland Clinic. In addition to transportation benefits, it is anticipated that the Opportunity Corridor Project will bring new economic development and new jobs to the community. The Opportunity Corridor Project supports an economic development plan of the City and Greater Cleveland Partnership for the area through enhanced mobility, direct access to freeways and the University Circle area, new frontage for potential development, improved visibility and improved multi-modal access. The Opportunity Corridor Project is being funded in part by bonds issued by the Ohio Turnpike and Infrastructure Commission. The Opportunity Corridor Project is divided into three stages: the first stage commenced in the fall of 2014; the second stage is expected to commence in the spring of 2016; and the third stage is expected to commence in 2017.

The Port of Cleveland (the “Port”) is an interlake and international shipping center located on the shores of Lake Erie and the Cuyahoga River. The Port primarily handles steel and bulk commodities and is a heavy lift port which is favorable for such items as automobile manufacturing equipment, presses and raw and finished steel and factory components. The Port brings more than \$572 million into the Greater Cleveland economy annually through payroll for the approximately 17,800 jobs dependent upon maritime activities. Approximately \$900 million in merchandise and material is shipped to and from the Port each year. The Port averages 13 million tons of cargo per year.

Norfolk Southern and CSX chose the City as their gateway to the Northeast and Midwest after the respective railroads restructured the rail systems following the acquisition of Conrail.

The City is also served by the RTA. The RTA owns and operates a public mass transit system, providing transportation to a 457 square mile service area which includes 59 municipalities, one of which is the City.

Financial Services

The City is a regional financial center and is the headquarters for the Fourth District Federal Reserve Bank, serving Ohio, the western portion of Pennsylvania and portions of Kentucky and West Virginia.

Education

Within the County are 13 public and private two-year and four-year colleges and universities, including, among others, Case Western Reserve University, John Carroll University, Cleveland State University, Cuyahoga Community College, Baldwin Wallace University, Notre Dame College, Ursuline College, the Cleveland Institute of Music and the Cleveland Institute of Art.

Health Care

There are over 20 hospitals, including acute care and private psychiatric hospitals, in the County. Among these institutions are The Cleveland Clinic Foundation, University Hospitals Health System (affiliated with Case Western Reserve University School of Medicine), and The MetroHealth System, all headquartered in the City.

Recreation and Entertainment

The City is noted for its many cultural institutions, including the internationally acclaimed Cleveland Orchestra and The Cleveland Museum of Art, the latter of which completed a \$350 million renovation and expansion project in late 2013. The project included refurbishing historic galleries and adding 35,000 square feet of gallery space, which opened in stages. Theaters and entertainment centers include Playhouse Square (a complex of six theaters, currently with seating for over 10,000), Public Auditorium, Karamu House and Severance Hall. Other cultural institutions include The Cleveland Play House, Great Lakes Theater, Cleveland Public Theater, Apollo's Fire (the Cleveland Baroque Orchestra), Verb Ballet, and Dance Cleveland.

The Rock and Roll Hall of Fame and Museum, a 150,000 square-foot facility located at North Coast Harbor, opened in 1995 and has attracted more than 10 million visitors to date.

The Great Lakes Center for Science and Technology, located on North Coast Harbor next to the Rock and Roll Hall of Fame and Museum, opened in July 1996. With more than 400 hands-on exhibits and a six-story Omnimax theater, the Center gives visitors the chance to explore science, environment and technology and their relationships to the Great Lakes.

Other museums include Museum of Contemporary Art Cleveland, Cleveland Botanical Gardens, Cleveland Museum of Natural History, Dunham Tavern Museum, Cleveland Children's Museum and Western Reserve Historical Society. Recreational facilities in the County include the 18,800-acre Metropolitan Park System, Cleveland Metroparks Zoo, Wade Park, Rockefeller Park, Cultural Gardens, Lakefront State Park and, outside the City, the Cuyahoga Valley National Park. The Cleveland Metroparks Zoo opened its new \$2 million

carousel and play area in May of 2014 and opened Stillwater Place, its new \$2.3 million 10,000 square foot event center, in May of 2015. The Crawford Auto Aviation Museum, part of the Western Reserve Historical Society, reopened in January 2013 after a \$4 million renovation.

Professional sports are available to area residents at various facilities located in the City's downtown. FirstEnergy Stadium (previously known as Cleveland Browns Stadium), located on the lakefront in downtown Cleveland on the same site as the former Cleveland Municipal Stadium, was completed in August 1999 and is the home of the National Football League's Cleveland Browns. The facility consists of an open-air stadium with approximately 68,000 seats. In addition to NFL football, the facility is suitable for major league soccer and open-air concerts.

The Gateway Sports Complex, located in the central business district of the City, includes Progressive Field (home of the American League's Cleveland Indians), Quicken Loans Arena (home of the National Basketball Association's Cleveland Cavaliers, the American Hockey League's Lake Erie Monsters, and the Arena Football League's Cleveland Gladiators), and a parking garage.

Progressive Field, which opened in April 1994, is an open air, natural turf baseball stadium with a current seating capacity for approximately 36,000 people. Quicken Loans Arena, which opened in October 1994, is a multi-functional, indoor facility for sporting and entertainment events and seats approximately 20,000 people. The Gateway common areas consist of approximately 13 acres and include Gateway Square, an area for outdoor entertainment and activities.

The Republican National Committee has selected the City to host the 2016 Republican National Convention in July of 2016. The Convention is expected to draw 50,000 attendees.

The City hosted the Rock and Roll Hall of Fame inductions in April of 2015 and hosted the 2014 Gay Games which featured more than 35 sports, band and choral competitions and community and cultural events. More than 10,000 participants from more than 65 countries attended. In addition, the City hosted the National Senior Games in July 2013. The Games attracted over 10,000 registered athletes and had a total attendance of approximately 65,000.

Downtown and Other Economic Development

The City continues to focus its strategies on identified clusters of regional strength including health technology, paints and coatings, lighting and electrical, information technology, automotive and automotive related, aerospace and banking and finance. Retention efforts include two visitation programs: the Cleveland Industrial Retention Initiative for all manufacturers, distribution and related supply chain businesses and a specific downtown stakeholders' visitation program through Downtown Cleveland Alliance. In 2015, Oatey Co., a long time Cleveland manufacturer of plumbing products with locations around the world, announced they would build a new 52,000 square foot headquarters building in Cleveland's Emerald Corporate Park.

One of the central focus areas is the Health Tech Corridor, a three-block wide transit-oriented development running from Cleveland State University to University Circle,

encompassing 1,600 acres. The Health Tech Corridor includes three colleges and universities and three major hospitals. In 2014, RTA completed a new transit station in University Circle on Cedar Avenue and completed construction of a new transit station on Mayfield Road in August 2015. These stations complement RTA's Health Line transportation system by connecting it to the City's heavy rail system, with direct access to the airport, and providing better connectivity to the City's second "downtown."

Hemmingway Development has agreed to purchase a ten acre brownfield site that the City assembled and cleaned-up and plans to develop another Health Technology Campus to be anchored by a 40,000 square foot University Hospitals clinic and a 50,000 square foot speculative tech center, both expected to break ground in 2016. The Frost Building will become home to a 15,000 square foot co-working space. The space is expected to be home to over 400 member businesses within two years, creating a new location for entrepreneurs. The City and its partners received a grant of over \$700,000 from the Economic Development Administration to create the first commercially available 100 Gigabit network in the United States in the Health Tech Corridor. The network is expected to be built out by summer of 2016. The City of Cleveland also started clean-up activities on another 2.5 acre site to keep pace with demand in the Health Tech Corridor and is working with a potential buyer.

University Circle has seen a great deal of new investment. The Cleveland Clinic commenced construction of a \$276 million 377,000 square foot cancer hospital. It will also complete a new \$36 million, 3,000 space employee parking garage with over 12,000 square feet of retail in the area. First Interstate Properties announced a new 28 story residential tower called One University Circle that will begin construction in 2015. Intesa, a residential and office complex by the Coral Company, plans to start construction in the fall of 2015. The two projects represent a total investment of over \$230 million dollars. The proposed UC3 Development, a multi-block mixed use project with over 700 apartments and 150,000 square feet of retail, is expected to break ground in 2016.

In 2013, The Cleveland Clinic demolished a block of buildings across from their campus to make way for a new medical school in partnership with Case Western Reserve University. Originally planned as a 165,000 square-foot medical education building, the project has now been expanded to become a Health Technology Campus of in excess of 200,000 square feet and a cost in excess of \$200 million. The project broke ground on October 1, 2015.

In 2015, Integrated CC LLC, as the developer, commenced construction of a 276 room all service Holiday Inn Hotel located on The Cleveland Clinic Campus. The hotel will have a full service restaurant and lounge. The hotel is designed to serve the public and the families of overnight patients at The Cleveland Clinic. The \$45 million project was financed with bonds issued by the Cleveland-Cuyahoga County Port Authority. Construction is expected to be completed and the hotel is expected to open for business in June of 2016.

The Uptown neighborhood has seen a great deal of investment including the new \$27.2 million Museum of Contemporary Art Cleveland which opened in 2012; the 153 room, \$27 million Courtyard by Marriot which opened in 2013; and the 158,000 square-foot, \$44.5 million Phase I of the Uptown project including restaurants, retail and 102 market rate apartments which

opened in 2012. The \$21 million Uptown Phase II which includes an additional 43 apartments, dormitories for students of the nearby Cleveland Institute of Art, and additional retail space, opened in August 2014.

The Cleveland Institute of Art completed the \$30 million Phase I of their eight-year expansion and renovation project that included the McCullough Center for the Visual Arts in 2013. In 2015, it completed construction on the \$33.5 million Phase II. Phase II included a 79,000 square-foot addition to the McCullough Center. The expansion is named the George Gund Building and includes a new 300-seat theater for the Cinematheque and a new art gallery.

The County's \$465 million Convention Center and Global Center for Health Innovation project in downtown Cleveland was completed in 2013. The project included an integrated facility for (i) exhibition space and showrooms for medical devices and equipment and related functions (the Global Center for Health Innovation) and (ii) exhibition, tradeshow and conference facilities, meeting rooms and related functions. A \$260 million Hilton convention center hotel, funded through bonds issued by the County, is on track to open in mid-2016 in time for the Republican National Convention. The 30-story, 650-room Hilton is being built on the site of the former County administration building, which was razed in early 2014. In preparation for the Republican National Convention, several other hotels were either recently completed or will be completed in time for the convention. They include the 481 room Westin, which opened in the spring of 2014; the 150 room Metropolitan, which opened in the fall of 2014; the 120 room Kimpton Schofield, expected to open in the first half of 2016, and the 180 room Drury Plaza Hotel, expected to open in the spring of 2016.

Geis Companies completed and opened the Metropolitan, 120 luxury apartments, as well as meeting and banquet spaces in the Ameritrust complex at Ninth Street and Euclid Avenue. As part of the \$240 million renovation, Geis also renovated the Cleveland Trust Rotunda, built in 1906. The same complex is home to a second renovated office building, which includes a Heinen's grocery store, other retail and office space, and residential units. The grocery store opened in late February of 2015, with additional retail opening later in 2015. A new 222,000 square foot office structure was constructed and leased to the County to serve as the new County Administration building.

Stark Enterprises purchased two buildings and a surface parking lot and has announced plans to create a 2.6 acre site that will become "nuCLEus", a \$250 million development that will include 500 residential units, 200,000 square feet of office space, 130,000 square feet of retail space, two new parking garages and a new hotel. The planned hotel is designed to be a "bridge" across the two towers.

The \$275 million Cleveland Flats East Development Project Phase I was completed in 2013. This project consisted of an approximately 476,000 square-foot, 18-story office tower, an approximately 550-space parking garage, a 150-room Aloft hotel, and approximately 31,000 square feet of restaurant and retail space. The office tower is nearly 90% leased and restaurant and retail spaces are 100% leased. The \$146 million Phase II project is underway and includes 243 apartments and 80,000 square feet of ground floor restaurant and retail as well as 48,000 square feet of entertainment space. A new 1,200 linear foot river walk has been completed and

provides access to the riverfront. The Phase II grand opening was held in October 2015. The Metroparks announced plans to open a water taxi service that will connect both sides of the river and a lakefront beach at Wendy Park, furthering the tourist draw to this area.

Steelyard Commons, the \$120 million retail redevelopment project on the site of a former steel mill, opened in early 2007. Steelyard Commons has a 97% occupancy rate, maintaining most of its original tenants including Home Depot, Marshalls, Target, Wal-Mart, Old Navy and restaurants Steak 'n Shake, Applebee's, I-Hop, Chipotle, and Burger King. Additional restaurants opened in 2012 followed by an Aldi grocery store in 2013. Construction on the \$24.2 million, 90,000 square foot Phase II has been completed and is anchored by Burlington Coat Factory, which opened in 2014. Several outlot buildings have been constructed and occupied as well.

The Ohio City neighborhood continues to grow and be a destination for residents and tourists. The neighborhood includes the City-owned West Side Market, the oldest continually operating market in the country, which recently celebrated its 100th anniversary. The West 25th Street Lofts Project is under construction to create 83 loft style apartments and some rooftop penthouse units, as well as 9,100 square feet of commercial space, and Jay Lofts will add eight apartments and 14,000 square feet of retail to the growing neighborhood. Both will be completed in 2015. Two other large projects were announced in 2014 and expect to break ground in 2015 including the Snavely Group Project which would include renovations of an existing building into 35 low income apartments and new construction of another 205 market rate apartments with 50,000 square feet of commercial space and 335 parking spaces. Total project cost is over \$60 million. Abode Modern Lifestyle Developers has assembled 4 acres of land with hopes to construct a \$40 to \$50 million new mixed use development. The area has seen more than \$15 million in new investment to redevelop over 198,000 square feet of vacant or underutilized mixed use space, including historic renovations and some new construction.

The Detroit Shoreway neighborhood adjacent to Ohio City is also enjoying an arts and entertainment resurgence. The Cleveland Public Theater and Capital Theater were joined in 2015 by a new performing arts venue, the Near West Theatre. The Templin Bradley, a 30-unit mixed income apartment building with both market rate and low-income units, opened in June of 2015.

In late 2008, the City established a new program called the Vacant Property Initiative, providing a combination of loans and forgivable loans to companies that redevelop a vacant building or lot to create and retain jobs in the City. The goal of the program is to keep existing companies in the City and attract new companies by leveling the playing field with suburban locations. The City funded 75 companies by providing \$28.8 million in City funds that leveraged \$650 million for projects totaling over \$686 million in new investment. The program created 4,397 jobs and retained another 2,019 jobs. In addition to keeping and increasing payroll taxes, the program increases real estate taxes through the investment in these vacant properties.

Housing and Neighborhood Development

The City continues to implement strategies to position the City and its neighborhoods to capitalize on future opportunities. The City has identified areas (i) where significant needs must

be addressed, (ii) where need and market potential overlap, (iii) where scattered site rehabilitation will be sustainable, and (iv) where the City can create new housing opportunities, particularly for very low income households. In these target areas, the City has focused market-building and stabilization efforts, specifically focused on demolition, housing renovation and land reutilization.

THE AIRPORT SYSTEM

General

The Airport System is comprised of Cleveland Hopkins International Airport (the “Airport”) and Burke Lakefront Airport (“Burke”). The Airport is the primary commercial service airport for northeastern Ohio. The Airport is located approximately ten miles southwest of the City’s downtown, and encompasses approximately 2,045 acres of land, with three air carrier runways, a large terminal complex and various cargo maintenance facilities.

According to statistics compiled by the FAA, the Airport was the 47th busiest airport in terms of total passengers for U.S. airports in 2014. The Airport had approximately 3,797,000 enplaned passengers in 2014 and 4,526,000 enplaned passengers in 2013. Through the first ten months of 2015, enplaned passenger levels increased 5.5% compared to the same period in 2014.

United Airlines (previously Continental Airlines prior to the merger of the two airlines in November 2011) used the Airport as one of its major domestic hubs until February 2014, when United announced plans to dehub operations at the Airport by dramatically reducing nonstop departures and destinations. For comparison purposes, United Airlines’ nonstop departures served by mainline aircraft at the Airport decreased by 61% between February 2014 and February 2015 according to U.S. Department of Transportation data. United Airlines and its regional affiliates, in particular, Express Jet, Mesa, Skywest and Republic, which operate under the brand name United Express, together accounted for 50.8% and 67.4% of the total enplaned passengers at the Airport in 2014 and 2013, respectively. Through the first ten months of 2015, United Airlines represented 33.8% of the total enplaned passengers at the Airport.

The Airport has historically served a significant origin-destination market, with origin-destination (“O&D”) passengers typically accounting for more than 70% of annual enplaned passengers (revenue and non-revenue, domestic and international) at the Airport. The existing substantial O&D passenger base together with United Airlines’ dehubbing operations at the Airport and subsequent entry of new air carriers and expanded air service of incumbent air carriers has contributed to increased O&D passenger levels at the Airport. Through the first ten months of 2015, O&D passengers represented 97.2% of total enplaned passengers at the Airport. New entrant air carriers that also became new Signatory Airlines (Frontier Airlines, Spirit Airlines, and JetBlue Airlines), as well as expanded service from existing air carriers (American, Delta and Southwest), contribute to the Airport’s role as a substantial O&D-based airport.

Since United Airlines announced its dehubbing of the Airport, Frontier Airlines, Spirit Airlines, and JetBlue Airways have become signatories to the Airlines Agreement, and Frontier Airlines has added routes to Atlanta, Dallas/Fort Worth, Phoenix, Las Vegas, Orlando, Fort Lauderdale, Fort Myers, Tampa, Phoenix, Raleigh-Durham, Seattle, Trenton, Washington-

Dulles, Chicago-O’Hare, and New York- LaGuardia. In January 2016, Frontier Airlines announced that it would add nonstop flights from the Airport to Philadelphia, Phoenix, Portland, San Francisco and Los Angeles starting in April 2016. Between January 2015 and April 2015, Spirit Airlines launched nonstop service to eight destinations out of the Airport, including Orlando, Fort Myers, Tampa, Fort Lauderdale, Dallas/Fort Worth, Las Vegas, Los Angeles and Myrtle Beach. JetBlue Airways began flying from Cleveland to Fort Lauderdale in April 2015. American Airlines added a flight to Washington-Reagan. In August 2015, United Airlines announced that it would resume flying nonstop to Fort Lauderdale and Fort Myers out of the Airport starting October 2015 and would add a second daily nonstop to Orlando in March 2016. United Airlines had cut nonstop service to Fort Lauderdale and Fort Myers in 2014. See “THE AIRPORT SYSTEM – Airport Passenger Activity.”

Burke is a federally certified commercial and general aviation reliever airport located on 480 acres adjacent to the City’s downtown. Burke is a full-service aeronautical facility offering two parallel runways, the longest of which is 6,200 feet in length. In 2014, 66,682 aircraft operations (landings and takeoffs) were performed at Burke, the majority of which were performed by air taxi operators serving the City’s downtown business activities and the remainder of which were performed almost entirely by corporate and private general aviation aircraft. In 2014, Burke completed the Congressionally-mandated Runway 6L/24R Safety Area Improvements Project. This project lengthened the runway and brought pertinent runway-taxiway intersections to current FAA standards. The project also installed an Engineered Materials Arresting System (“EMAS”) on the west end as the runway was lengthened to the east.

Airport Facilities

The Airport has three runways, including two parallel runways (6L/24R, and 6R/24L) in the northeast-southwest primary wind direction and a crosswind runway (10/28) with an east-west orientation. The Airport commissioned Phase I of Runway 6L/24R in December 2002 at a length of 6,800 feet. Runway 6L/24R was further extended to 9,000 feet and was commissioned as a CAT III runway in November 2004. Runway 6R-24L was extended to approximately 10,000 feet in length and commissioned on December 5, 2008 as part of a project to “uncouple,” or disconnect, the runway from its intersection with east–west Runway 10-28 (6015 feet in length). A fourth Runway, 6C/24C, was permanently closed in 2007 as part of a safety enhancement program. Runway ends 6R, 24L, 24R and 28 are equipped with Instrument Landing System “ILS” navigational aids that allow for precision approaches during inclement weather conditions. The Airport completed installation of EMAS at the 10 and 28 ends of Runway 10-28 as part of a project to relocate the runway 330 feet to the east.

The Airport’s passenger terminal facilities consist of approximately 935,000 square feet in a main terminal building with four attached concourses which support 63 jet-gates and 33 commuter aircraft parking positions. The Airport opened Concourse D (170,000 square feet) in 1999 to serve the expanding regional jet operation of Continental Express (now, United Express). United Airlines announced in April 2014 that it would vacate Concourse D and consolidate its operations at the Airport on Concourse C. Pursuant to the Agreement and Lease and Amendment No. 1 to the Agreement and Lease (together, the “Use Agreement”), the Leased Premises (as defined therein) of the Airport are leased on a preferential basis to each of the Airlines that have signed a Use Agreement, including Southwest Airlines, Delta Air Lines,

United Airlines, American Airlines, Frontier Airlines, JetBlue Airlines and Spirit Airlines (collectively, the “Signatory Airlines”). Each Signatory Airline has priority of use with respect to its Leased Premises, but may be required by the Airport to share the use of such Leased Premises. In addition, four gates remain common use gates under the control of the Airport.

The Airport’s public automobile parking facilities currently have approximately 5,856 parking spaces, consisting of approximately 3,811 in the Smart Parking Garage (parking garage that offers access to passenger terminal and uses electronic signage) and approximately 2,045 surface parking spaces. The Airport also provides approximately 1,905 parking spaces for Airport employees. An estimated 7,000 private off-airport parking spaces exist around the Airport’s perimeter.

Airport services also include a consolidated rental car facility that is located offsite, though adjacent to the Airport. The rental car facility is owned by the Airport and leased to the car rental companies, which currently include Alamo, Avis, Budget, Dollar Thrifty, Enterprise, Hertz, and National.

During 2008, the City entered into a 10-year concessions and lease agreement with the developer BAA USA, Inc. to manage the Airport’s retail and food and beverage concessions. Effective August 20, 2010, BAA USA, Inc. changed its name to AIRMALL™ USA, Inc. (“AIRMALL™”). AIRMALL™ assumed control of terminal retail operations on April 1, 2008 and control of terminal food and beverage operations on January 20, 2009. The new AIRMALL™ included two new food courts, a new retail core and expanded concessions offerings. The agreement with AIRMALL™ has resulted in a higher amount spent per enplaned passenger and a higher revenue stream to the Airport. In 2011, the average revenue per enplaned passenger was \$8.08, and through November 2015, the average revenue per enplaned passenger was \$10.03. The agreement contains minimum annual guarantees payable to the City at levels comparable to the total amount of annual revenue received under the prior concessions and lease agreements. In addition to the minimum annual guarantee provisions, the agreement with AIRMALL™ also includes certain revenue sharing elements that benefit the Airport. The concessions development program included the renovation and redevelopment of the Airport’s pre-existing 46,000 square feet of concession space and the addition of approximately 10,000 square feet of new concession space (approximately 30,000 square feet of new concession space was lost with the closure of Concourse D). The AIRMALL™ includes local, regional and nationally branded concepts. Current offerings include a variety of concepts, such as The Pub, Panini’s, Quaker Steak and Lube, Currito Burrito, Great Lakes Brewery Restaurant, Bruegger’s Bagels, Sammy’s, Fresh Brewed Teas, Johnston and Murphy, Rock and Roll Hall of Fame and Museum Store, Monarch, Sunglass Hut, Kidsworlds, and numerous other brands.

Capital Improvement Plan

The Airport maintains an ongoing Capital Improvement Program (“CIP”) for the Airport System. Airport management has identified \$94 million of capital projects that are being funded from 2016 to 2018 from the following sources.

	2016	2017	2018	Total
Existing Bond Proceeds	\$ 26,669,627	\$ 2,871,200	\$ -	\$ 29,540,827
Airport Discretionary Funds	12,300,926	-	-	12,300,926
Federal Grants-in-Aid	34,379,866	12,000,000	5,800,000	52,179,866
Total CIP Sources	\$ 73,350,419	\$ 14,871,200	\$ 5,800,000	\$ 94,021,619
Airfield Projects				
North Airfield Improvement Project	13,000,000	-	-	13,000,000
Snow Removal Equipment Storage Facility	13,931,400	-	-	13,931,400
Doan Brook Restoration	2,500,000	-	-	2,500,000
Terminal Projects				
Exterior Terminal Façade & Ticket Lobby	10,104,839	-	-	10,104,839
In-Line Baggage System	12,217,672	12,000,000	5,800,000	30,017,672
Signage Design	1,500,000	-	-	1,500,000
Parking Projects				
Red and Blue Lot Redevelopment, Phase II	9,780,308	-	-	9,780,308
Other Projects				
MS1/MS2 Redundant Electrical Power	2,181,200	2,181,200	-	4,362,400
Main Terminal Boiler	1,485,000	690,000	-	2,175,000
Snow Removal Equipment Acquisition	6,650,000	-	-	6,650,000
Total CIP Uses	\$ 73,350,419	\$ 14,871,200	\$ 5,800,000	\$ 94,021,619

The bond funded CIP Projects have been reviewed by the Signatory Airlines under the Majority in Interest (“MII”) procedures in the Use Agreements for review of capital projects, and none of the CIP Projects were disapproved under the MII process.

CIP Projects

Airfield Projects

The Airport staffs a Runway Safety Action Team that meets regularly to identify safety issues that may arise on the airfield. Identified issues totaling approximately \$13.0 million are included in the CIP. Among the work being undertaken is repair, removal, or reconstruction of pavement to meet FAA standards, as well as grading, drainage, pavement marking, airfield lighting, and signage to conform to current FAA Advisory Circulars. A new snow removal equipment storage facility is being constructed near the Airport Consolidated Maintenance Facility at a cost of approximately \$13.9 million. The Doan Brook restoration project is continuing at an estimated cost of \$2.5 million. The Doan Brook restoration is part of continuing environmental wetlands replacement resulting from the extension of Runway 6L/24R in 2001.

Terminal Projects

Significant changes are underway in the terminal complex, including a new canopy over the upper roadway system to shield the departure area curb front from inclement weather. Simultaneously, the ticketing lobby is being renovated to include higher ceilings, revolving doorways, valet staging areas, signage and other aesthetic improvements. Ancillary improvements are taking place at the lower roadway passenger pick-up areas as well. There is also a project that will ultimately result in improvement of signage Airport-wide. The signage project is currently in the design stage and is funded in the current CIP. Finally, the design, installation, testing, and commissioning of an in-line baggage screening system is underway at the Airport. The estimated total cost of these projects is \$41.6 million.

Parking

As the terminal and ticketing lobby projects are occurring, the Airport will also complete Phase II of its Parking Redevelopment Program by installing canopies in two of the Airport surface parking lots. The Red Lot, located the closest to the terminal on the north end, will be completely covered by a 72,280 square foot canopy. In addition, the Blue Lot will also be covered by a 92,680 square foot canopy. Each canopy project includes new LED lighting as well as signage. Covered walkways will connect the covered surface lots to the terminal. This project is anticipated to be completed by May 2016.

Other Projects

Nearly \$13.2 million of other projects are also underway at the Airport. Among these are projects to provide new redundant power, a main terminal boiler, and provision for the acquisition of new snow removal equipment.

CIP Funding Sources

Federal Grants

In accordance with FAA Record of Decision dated December 22, 2000 and subsequently amended on August 25, 2005, the City anticipates receiving a total of \$181.8 million in Letter-of-Intent (“LOI”) funds to pay project costs of the Runway Uncoupling Project (\$33.4 million) and debt service associated with airfield projects funded in part from the Series 2000 Bonds (\$148.4 million). As of December 31, 2015, the City had received \$166.5 million of the LOI proceeds.

Passenger Facility Charges

Under existing federal law, the Federal Aviation Administration (the “FAA”) may authorize a public agency that controls an airport to impose a PFC of \$1.00, \$2.00, \$3.00, \$4.00 or \$4.50 for each qualifying enplaned passenger at such airport to be used to finance eligible airport-related projects. The City currently imposes a \$4.50 PFC at the Airport, with total imposition and use collection authority of \$596.5 million. As of December 31, 2014, the Airport

had received a total of \$431.8 million in PFC revenues. While certain FAA reauthorization bills include provisions to raise PFC collection amounts, for purposes of preparing the updated financial forecast, it is assumed that the City will continue to impose a PFC at the \$4.50 level.

The amount of actual PFC revenues will vary depending on actual levels of passenger enplanements at the Airport and, accordingly, no assurance can be given as to the timing or amount of PFC revenues that will be available. The FAA may terminate its approval of the City’s imposition of a PFC if the FAA determines that the City is in violation of the PFC Act or the regulations promulgated thereunder or certain provisions of the Airport Noise and Capacity Act (the “Noise Act”). However, both the PFC regulations and the Noise Act provide procedural safeguards to ensure that the City’s ability to impose a PFC will not be summarily terminated.

The following table provides the annual audited collections of PFCs, from 2011 through 2014 (in thousands).

PFC Revenue

Calendar Year	PFC Revenue
2011	\$18,040
2012	17,867
2013	17,746
2014	15,079

Airport Development Funds

In accordance with the Use Agreements, the City annually receives discretionary funds from airline rates and charges that are deposited in the Airport Development Fund. See “SECURITY FOR THE SERIES 2016 BONDS – Airport Development Fund.” The City anticipates using a portion of annual Airport Development Fund receipts to fund certain of the CIP Projects. As of December 31, 2014, the Airport Development Fund had a balance of approximately \$9.7 million. As of December 31, 2015, the Airport Development Fund had a balance of approximately \$10.5 million.

Regulatory Matters

On April 20, 2001, the Airport and the State executed a consent order allowing the Airport to proceed with its expansion program. The consent order required the Airport to address environmental issues, which included handling of deicing chemicals, removal of soils during construction, and an investigation into the effects of past deicing on Airport property. In cooperation with the Ohio Environmental Protection Agency (“OEPA”) the City has implemented numerous capital improvements that address the consent order, including a Centralized Deicing Facility, which eliminates most discharges of deicing chemicals into local waters. The City has implemented a source area reduction program that removes soils adversely impacted by deicing chemicals as those soils are discovered.

The City has sought a modification to the National Pollutant Discharge Elimination System (“NPDES”) permit from the OEPA, which will address new effluent limits on deicing

chemicals. The OEPA has also notified the City that Burke is no longer eligible for a general NPDES permit. The City will have to apply for an individual permit that specifically addresses the needs of Burke. The application for the NPDES permit is being prepared. It is anticipated that the application will be filed by the end of the first quarter of this year.

On September 14, 2015, the Airport received four notices of proposed penalties from the Federal Aviation Administration (“FAA”), totaling \$735,000. The penalties alleged that the Airport failed to uphold its Snow and Ice Control Plan during four events between 2013 and 2015 during the winter seasons. On October 9, 2015, the Airport provided the FAA with a written response to the alleged violations and held an informal conference with the FAA to negotiate a settlement on December 18, 2015. Negotiations between the Airport and the FAA are ongoing.

Management of the Airport System

Section 76-8 of the City’s Charter provides that the Director of Port Control is in charge of administration and control of, among other facilities, the municipally owned airport facilities of the City. The City’s Department of Port Control, through the Divisions of the Airport and Burke (the “Divisions”), operates the two airports comprising the Airport System. The Divisions employ approximately 400 individuals in administration, airfield and building maintenance, vehicle maintenance, and aircraft rescue and firefighting. There have been no strikes or work stoppages by employees of the Divisions in recent years. The City believes its relations with these employees are excellent.

The Codified Ordinances of the City place management responsibility for the Divisions in the two Commissioners of Airports, one for each airport, or their duly authorized representatives. The Commissioner of the Airport fixes the charges for the use of hangar space and landing and take-off fees, subject to the approval of the City’s Board of Control. Following are brief biographical sketches of the Department of Port Control officials:

Fred Szabo was appointed interim Director of Port Control on August 18, 2015 and is responsible for the management and operations of the Airport System. Mr. Szabo continues to serve as the Commissioner of the Airport. Prior to this appointment, Mr. Szabo served as Commissioner of the Airport and as Assistant Director of Public Safety for the City. Mr. Szabo has over 36 years of experience in law enforcement and related government service, and previously served as the Acting EMS Commissioner, Administrative Assistant to the Chief of Police and spokesperson for the Cleveland Police Department and Department of Public Safety. Mr. Szabo has a Bachelor of Arts degree in Criminology from Bowling Green State University and served as an officer in the U.S. Army. He is the recipient of the 2012 FBI Director’s Community Leadership Award and was named the 2011 City of Cleveland Veteran of the Year.

Jonathan McGory is with the Law Department of the City and has been assigned as senior counsel to the City’s Airport System since July 2013. Mr. McGory provides legal counsel to all sections of the Airport System. He has over four years of experience providing legal guidance to transportation organizations, including the Greater Cleveland Regional Transit Authority. Mr. McGory holds a Bachelor’s Degree from The Ohio State

University and a Juris Doctorate from Cleveland-Marshall College of Law. He is licensed to practice in the State of Ohio and the United States District Court, Northern District of Ohio.

Patricia Singleton was appointed Chief of Business Development and Management in October 2006 and is responsible for business planning and development and all matters related to concessions, airline agreements, parking and ground transportation, development and inventory control. Ms. Singleton joined the Department of Port Control as Airport Development Manager in 1999 and has served in various management positions within the business cluster. Ms. Singleton has a Bachelor of Science degree from Central State University and a Master of Science from The Ohio State University. Ms. Singleton has over 30 years of experience in commercial management including experience with concessions, property and business development, airline use and lease agreements, management of airport parking and ground transportation operations, and real estate negotiations.

Renato “Ren” Camacho was selected as Chief of Planning and Engineering for the City’s Department of Port Control in February 2011. In this position he oversees the areas of Planning, Engineering and Construction, Real Estate and Noise Abatement, and Environmental Services. Mr. Camacho currently administers the planning, design, and construction of the Airport System’s Capital Improvement Program. Prior to his current position, Ren worked at the Port Authority of New York/New Jersey for over 14 years in the agency’s Engineering Department. During his time at the Port Authority, Mr. Camacho was a senior engineer responsible for the implementation of critical traffic planning, design, and construction projects at multiple facilities such as the World Trade Center site (pre- and post-9/11/01), John F. Kennedy/LaGuardia/Newark Airports, George Washington Bridge, and Holland/Lincoln Tunnels. Mr. Camacho received his Master’s Degree in Transportation Planning & Engineering from Polytechnic University’s Brooklyn, New York campus and Bachelor of Science from Rensselaer Polytechnic Institute. He is currently an Accredited Airport Executive (“A.A.E”), a registered professional engineer in the state of Ohio, a Professional Traffic Operations Engineer, and is actively engaged in multiple leadership initiatives with the Airport System.

Todd F. Payne was appointed Chief of Marketing and Air Service Development in December 2006. Mr. Payne is responsible for air service development and marketing as well as overseeing the department’s communications, customer service, and community relations programs. Prior to his selection, Payne was Regional Manager of the Eastern and Central U.S. and National Affiliate Marketing Manager with Hawaiian Airlines. He has 27-years of travel industry marketing and leadership experience with airlines, hospitality and destination entities. He has also held management positions with Piedmont Airlines, USAir, VIASA, the Aruba Tourism Authority, Universal Studios Orlando, Sofitel Hotels and Experience Columbus. Mr. Payne is a graduate of Ashland University and has also received CTC and CTA certification from the Travel Institute. Mr. Payne serves on the Tourism Advisory Committee for Positively Cleveland, on the Air Service Demand Task Force for the Greater Cleveland Partnership, and on the

Marketing and Communications Steering Group for Airports Council International-North America.

Christine Gilmartin was appointed Chief Financial Officer for the City's Department of Port Control in June 2012 and is responsible for planning, organizing, directing, monitoring and evaluating the financial and accounting work of managers and staff of the Airport with an annual budget of \$140 Million. In her previous role, Ms. Gilmartin served as the comptroller for the Department of Port Control. Prior to her employment with the City, Ms. Gilmartin served as a credit administrator with the Mountaineer Casino Racetrack & Resort and previously served with the Auditor of the State of Ohio where her responsibilities included leading the audit team from the planning of the audit to the issuing of financial statements. Ms. Gilmartin received her Bachelor of Science in Business Administration from Youngstown State University. She is a Certified Fraud Examiner and a member of the Association of Government Accountants.

Khalid Bahhur was appointed Commissioner of Burke in 2001 and is responsible for the day-to-day management and operation of Burke. Mr. Bahhur has extensive experience and knowledge in the operations, planning, budgeting, and economic development of general aviation airports. Mr. Bahhur holds a Bachelor's degree in Political Science from Cleveland State University.

Matthew D. Crowley was appointed as Chief Information Officer of the Department of Port Control in July 2014. Mr. Crowley is responsible for overseeing the Department's IT assets and technology initiatives. Prior to his selection, Mr. Crowley was the Chief Technology Officer of Browsium, Inc., a desktop virtualization company based out of Washington, D.C. and has also worked at Microsoft on the Windows engineering team. He holds a number of patents-pending for internet browser navigation design and is the author of Pro Internet Explorer 8 and 9 Development. Mr. Crowley graduated from Case Western Reserve University in 2008 and earned a Bachelor of Science degree in Computer Engineering

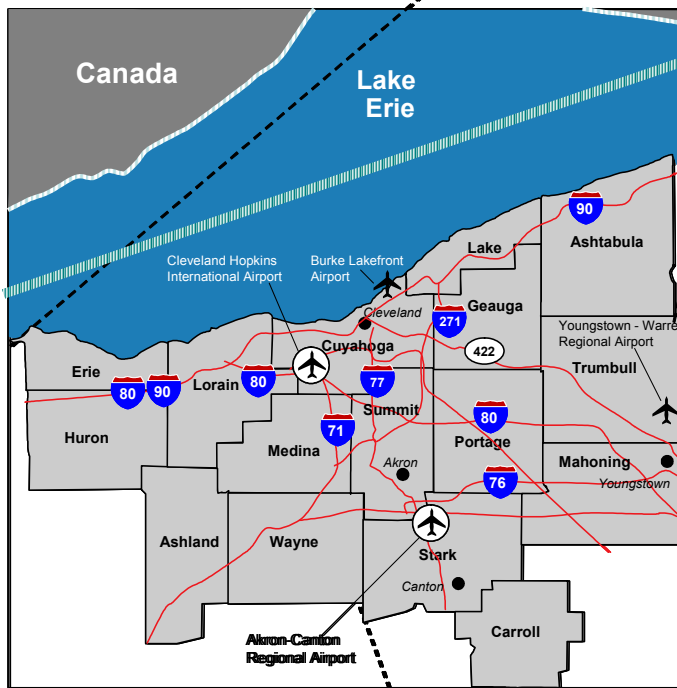
The Airport Service Region

The City and the Airport System are located in Cuyahoga County, the largest county in terms of population in the State of Ohio. The air trade area for the Airport is comprised of the following 16 counties in Ohio: Ashland, Ashtabula, Carroll, Cuyahoga, Erie, Geauga, Huron, Lake, Lorain, Mahoning, Medina, Portage, Stark, Summit, Trumbull and Wayne. Together, these 16 counties comprise the "Airport Service Region." This area is depicted by the map below. To a lesser degree, the Airport draws passengers from outside the Airport Service Region, including northern Ohio and western Pennsylvania. The population of the Airport Service Region is approximately 4.0 million, and the region represents the 15th largest Combined Statistical Area in the U.S. (as defined by the U.S. Census Bureau).

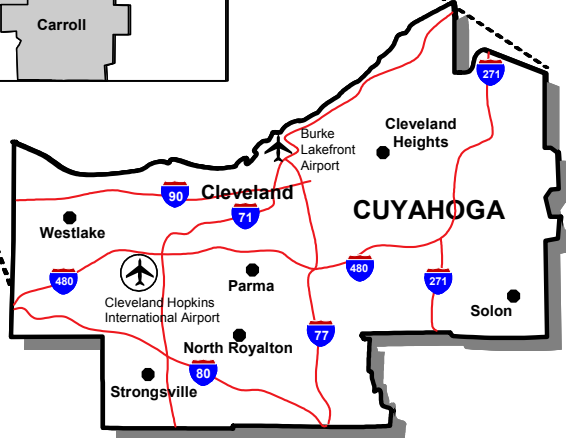
THE AIRPORT SERVICE REGION

Road miles from Cleveland to:	
Akron	39
Canton	58
Columbus	142
Detroit	174
Pittsburgh	137
Toledo	119
Youngstown	76

Less than 1 hour flight time from Cleveland:	
Toronto	45 minutes
Chicago	55 minutes
New York	55 minutes
Washington, DC	55 minutes



	County Boundary
	State/International Boundary
	Air Carrier Airport
	Commuter Airport/ General Aviation/Other



Airport Passenger Activity

In 2014, enplanements at the Airport decreased by 16.1% from 2013. From 2003 through 2014, the number of enplaned passengers at the Airport has ranged from a high in 2005 of 5,724,440, to a low of 3,797,261 in 2014. For the first eleven months of 2015, total enplaned passengers at the Airport increased by 6.5% compared to the same period in 2014.

The following table shows total number of enplaned passengers, aircraft departures, and aircraft landed weight at the Airport for the calendar years indicated.

SUMMARY OF RECENT HISTORICAL AIRPORT ACTIVITY

<u>Year</u>	<u>Enplaned Passengers</u>		<u>Aircraft Departures</u>		<u>Aircraft Landed Weight</u>	
	<u>Number</u>	<u>Percent Change</u>	<u>Number</u>	<u>Percent Change</u>	<u>1,000 lb¹ Unit</u>	<u>Percent Change</u>
2003	5,257,224	(2.7)%	147,498	5.4%	7,827,776	(4.5)%
2004	5,613,255	6.8	146,253	(0.8)	8,074,843	3.2
2005	5,724,440	2.0	141,925	(3.0)	7,910,706	(2.0)
2006	5,646,470	(1.4)	136,142	(4.1)	7,467,746	(5.6)
2007	5,722,338	1.3	133,309	(2.1)	7,380,384	(1.2)
2008	5,545,205	(3.1)	127,469	(4.4)	7,256,132	(1.7)
2009	4,855,129	(12.4)	100,134	(21.4)	6,265,656	(13.7)
2010	4,745,308	(2.3)	96,432	(3.7)	5,907,546	(5.7)
2011	4,598,279	(3.1)	94,143	(2.4)	5,912,394	0.1
2012	4,495,353	(2.2)	90,472	(3.9)	5,732,148	(3.0)
2013	4,525,656	0.7	90,670	0.2	5,732,142	0.0
2014	3,797,261	(16.1)	65,381	(27.9)	4,773,831	(16.7)
2015 ²	3,718,628	6.5	46,848	(12.8)	4,697,855	7.3

¹ Includes the sum of all commercial air carrier, commuter and all-cargo operations.

² Through November 2015. Percent change numbers reflect change from January 2014 through November 2014.

The table below presents total enplanements at the Airport by month between January 2010 and November 2015.

MONTHLY ENPLANEMENT COMPARISON AT THE AIRPORT

Month	<u>Total Enplanements</u>						<u>Change in Monthly Percentage</u>				
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2011 v.</u> <u>2010</u>	<u>2012 v.</u> <u>2011</u>	<u>2013 v.</u> <u>2012</u>	<u>2014 v.</u> <u>2013</u>	<u>2015 v.</u> <u>2014</u>
Jan	316,772	313,915	294,503	317,653	282,988	264,960	-0.90%	-6.18%	7.86%	-10.91%	-6.4%
Feb	326,736	295,378 ¹	310,792	318,574	300,758	271,059	-9.60	-5.22	2.50%	-5.59	-9.9%
March	418,288	410,782	387,767	409,362	381,879	332,132	-1.79	-5.60	5.57%	-6.71	-13.0%
April	398,517	386,214	383,977	365,443	339,109	321,104	-3.09	-0.58	-4.83%	-7.21	-5.3%
May	404,252	402,823	396,870	403,771	337,272	359,455	-0.35	-1.48	1.74%	-16.47	6.6%
June	445,335	430,680	430,580	421,672	322,525	377,533	-3.29	-0.02	-2.07%	-23.51	17.1%
July	448,702	437,347	426,381	407,877	326,007	378,202	-2.53	-2.51	-4.34%	-20.07	16.0%
Aug	427,054	418,461	412,975	399,988	313,878	364,464	-2.01	-1.31	-3.14%	-21.53	16.1%
Sept	383,175	380,297	358,607	362,255	287,848	342,205	-0.75	-5.70	1.02%	-20.54	18.9%
Oct	411,129	393,603	383,187	396,123	312,317	369,214	-4.26	-2.65	3.38%	-21.16	18.2%
Nov	378,267	356,483	358,734	349,509	288,339	338,300	-5.76	0.63	-2.57%	-17.50	17.3%
Dec	387,081	372,296	348,980	373,429	304,341	--	-3.82	-6.26	7.01%	-18.50	--
Totals	4,745,308	4,598,279	4,495,353	4,525,656	3,797,261	3,718,628					

Source: City of Cleveland, Department of Port Control records.

For the calendar year 2014, total Airport enplanements (scheduled and non-scheduled) were approximately 16.1% lower than in 2013, while total enplanements by U.S. airlines and on foreign airlines serving the United States increased 2.6% in 2014 as compared to 2013. For the first ten months of 2015, total enplanements by U.S. airlines and on foreign airlines serving the United States increased 4.4% as compared to the same period in 2014. (Source: Department of Transportation Bureau of Transportation Statistics data).

¹ February 2011 enplaned passengers levels were impacted by winter storms that resulted in significant flight cancellations to/from the Airport.

The following table shows total domestic originating enplanements and total domestic connecting enplanements at the Airport from 2003 through November 2015.

HISTORICAL DOMESTIC ORIGINATING AND CONNECTING ENPLANEMENTS¹

<u>Year</u>	<u>Domestic Originations</u>		<u>Domestic Connections</u>	
	<u>Number</u>	<u>Percent of Total</u>	<u>Number</u>	<u>Percent of Total</u>
2003	3,297,906	67.0%	1,627,341	33.0%
2004	3,657,536	69.9	1,577,809	30.1
2005	4,061,656	75.4	1,324,342	24.6
2006	3,999,816	75.0	1,331,951	25.0
2007	4,188,416	75.9	1,331,961	24.0
2008	3,952,052	73.0	1,461,166	27.0
2009	3,300,406	73.0	1,222,268	27.0
2010	3,223,242	71.8	1,268,791	28.2
2011	3,399,760	78.0	956,462	22.0
2012	3,402,931	79.9	857,990	20.1
2013	3,217,367	75.6	1,039,845	24.4
2014	3,133,828	88.0	428,989	12.0
2015 ²	3,435,271	97.2	97,324	2.8

Source: City of Cleveland, Department of Port Control records.

Through the first eleven months of 2015, domestic revenue originating passengers accounted for 97.2% of total domestic revenue enplaned passengers, and domestic revenue connecting passengers accounted for an estimated 2.8% of total domestic revenue enplaned passengers at the Airport. Domestic origination enplanements increased 18.8% in the first eleven months of 2015 compared to the same period in 2014.

Airlines and Market Shares

As of November 2015, the Airport was served by eight major and national carriers, 18 regional and commuter airlines, one foreign-flag airline and three all-cargo airlines. According to the Department of Port Control, domestic enplanements accounted for 97.8% of all passengers enplaned at the Airport in 2014.

The table below sets forth the airlines serving the Airport and their market shares based on enplaned passengers for the calendar years indicated. For comparison purposes, the table reflects historical market shares based on airlines operating at the Airport as of November 2015. For example, the line item for United includes enplanements that may have been served by Continental Airlines prior to the merger of the two airlines. Through the first eleven months of

¹ Figures do not include any non-revenue passengers.

² Through November 2015.

2015, United accounted for 33.7% of total enplanements at the Airport. With the downsizing of operations at the Airport by United (announced February 2014) and subsequent entry of new/expanded service from Frontier, Spirit and JetBlue, market shares at the Airport are highly distributed across multiple airlines. Enplanement levels are also increasingly being served by larger, mainline type of aircraft equipment. Through the first eleven months of 2015, approximately 73% of enplanements were served via mainline aircraft.

	2011		2012		2013		2014		2015 (Through Nov)	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Domestic Service										
United	3,132,186	68.1%	3,032,685	67.5%	2,970,982	65.6%	1,886,771	49.7%	1,237,778	33.3%
American	503,469	11.0%	524,898	11.7%	558,300	12.3%	591,647	15.6%	628,086	16.9%
Delta	359,490	7.8%	355,124	7.9%	362,887	8.0%	461,565	12.2%	499,082	13.4%
Southwest	486,312	10.6%	471,603	10.5%	473,118	10.5%	522,048	13.7%	506,100	13.6%
Frontier	11,486	0.2%	20,813	0.5%	38,233	0.8%	244,176	6.4%	422,528	11.4%
Spirit	-	0.0%	-	0.0%	-	0.0%	-	0.0%	271,010	7.3%
Jet Blue	-	0.0%	-	0.0%	-	0.0%	-	0.0%	63,234	1.7%
USA 3000	23,373	0.5%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Subtotal	4,516,316	98.2%	4,405,123	98.0%	4,403,520	97.3%	3,706,207	97.6%	3,627,818	97.6%
Charter	5,154	0.1%	7,084	0.2%	4,449	0.1%	4,184	0.1%	7,476	0.2%
Total	4,521,470	98.3%	4,412,207	98.1%	4,407,969	97.4%	3,710,391	97.7%	3,635,294	97.8%
International Service										
United	43,887	1.0%	63,891	1.4%	79,523	1.8%	40,702	1.1%	15,241	0.4%
Frontier	-	0.0%	-	0.0%	19,143	0.4%	17,442	0.5%	33,414	0.9%
Air Canada	17,607	0.4%	19,377	0.4%	19,021	0.4%	28,726	0.8%	34,679	0.9%
USA 3000	14,395	0.3%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Subtotal	75,889	1.7%	83,268	1.9%	117,687	2.6%	86,870	2.3%	83,334	2.2%
Charter	338	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total	76,227	1.7%	83,268	1.9%	117,687	2.6%	86,870	2.3%	83,334	2.2%
TOTAL ENPLANEMENTS	4,597,697	100.0%	4,495,475	100.0%	4,525,656	100.0%	3,797,261	100.0%	3,718,628	100.0%
Enplanement Share										
Mainline	2,217,347	48.2%	1,767,735	39.3%	1,607,678	35.5%	1,649,059	43.4%	2,701,469	72.6%
Regional/Commuter	2,380,350	51.8%	2,727,740	60.7%	2,917,978	64.5%	2,148,202	56.6%	1,017,159	27.4%
Total	4,597,697		4,495,475		4,525,656		3,797,261		3,718,628	

Source: City of Cleveland, Department of Port Control records.

AIRPORT FINANCIAL INFORMATION

Principal Sources of Revenues

The principal sources of Airport Revenues include non-airline revenues, terminal complex space rentals paid by the Signatory Airlines and landing fees paid by the Signatory Airlines pursuant to the Use Agreements with the City. Non-airline revenues (consisting primarily of parking, rental cars and terminal retail) accounted for 35.4% of Airport Revenues in 2013 and 35.1% in 2014. Revenues from parking and rental cars comprised a large part of the non-airline revenues. Terminal complex space rentals and landing fees paid by airlines that were Signatory Airlines under the original Use Agreement accounted for 61.7% and 62.7% of Airport Revenues in 2013 and 2014, respectively.

The principal sources of Airport Revenues for 2013 and 2014 (audited) are summarized as follows:

SOURCES OF AIRPORT REVENUES
(Amounts in thousands)

<u>Sources of Revenues</u>	<u>Audited 2013</u>	<u>Percent of Total</u>	<u>Audited 2014</u>	<u>Percent of Total</u>
<i>Cleveland Hopkins International</i>				
Signatory Airline Revenues				
Terminal Complex Space Rent	\$35,601	32.4%	\$48,827	37.1%
Landing fees	28,710	26.1	31,116	23.7
Other	3,538	3.2	2,544	1.9
Total Signatory Airline Revenues	67,848	61.7	82,486	62.7
Non-Signatory Landing fees	2,315	2.1	1,706	1.3
Non-Airline Revenues	38,947	35.4	46,130	35.1
Interest Income	144	0.1	75	0.1
Subtotal-Cleveland Hopkins	109,255	99.3	130,398	99.1
<i>Burke Lakefront</i>	744	0.7	1,119	0.9
Total Revenues	<u>\$109,999</u>	<u>100.0%</u>	<u>\$131,517</u>	<u>100.0%</u>

Source: City records

Note: Totals may not sum due to rounding.

Historical Data for the Airport System

The financial statements of the City of Cleveland, Department of Port Control, Divisions of Cleveland Hopkins International and Burke Lakefront Airports for the years ended December 31, 2014 and 2013, have been audited by Clark, Schaefer, Hackett & Co., as stated in their report. **The Auditor's reports for the years ended December 31, 2014 and 2013 are currently located at <https://ohioauditor.gov/auditsearch/results.aspx>.**

Operating Results

The following table describes the operating results for the Airport System for the years 2010 through 2014. This information has been compiled from the audited financial statements for those years.

OPERATING RESULTS (Amounts in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Statement of Net Revenues in accordance with the Indenture:					
Airport Revenues	\$103,401	\$111,738	\$113,395	\$109,855	\$131,442
Airport Expenses	<u>(70,152)</u>	<u>(73,310)</u>	<u>(68,855)</u>	<u>(67,164)</u>	<u>(72,101)</u>
Net Revenues	<u>\$33,249</u>	<u>\$38,428</u>	<u>\$44,540</u>	<u>\$42,691</u>	<u>\$59,340</u>
<u>Statement of Income (GAAP):</u>					
Total Operating Revenue	\$106,696	\$114,967	\$116,694	\$113,244	\$131,724
Total Operating Expense	<u>(120,151)</u>	<u>(121,085)</u>	<u>(119,396)</u>	<u>(118,029)</u>	<u>(124,453)</u>
Operating Income	(13,455)	(6,118)	(2,702)	(4,786)	7,272
Non-operating Revenues	19,668	10,139	(9,198)	(2,033)	(16,790)
Net Income (Loss)	<u>\$6,213</u>	<u>\$4,021</u>	<u>(\$11,900)</u>	<u>(\$6,819)</u>	<u>(\$9,518)</u>

Note: Numbers may not add due to rounding.

The following is a reconciliation of the operating results shown above, which were prepared in accordance with generally accepted accounting principles (“GAAP”), with those prepared with reference to the Indenture and the Use Agreements and is presented in thousands.

RECONCILIATION OF OPERATING RESULTS
(Amounts in thousands)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Reconciliation:</u>					
Net Income (GAAP)	\$6,213	\$4,021	(\$11,900)	(\$6,819)	(\$9,518)
<u>Add Back:</u>					
Depreciation	\$49,999	\$47,775	\$50,541	\$50,865	52,351
Interest Expense	33,197	38,337	30,327	\$32,359	31,600
Incentive Compensation	0	0	0	\$0	\$0
Other Adjustments	0	0	0	\$0	\$0
<u>Deduct:</u>					
PFC Revenue	(\$18,820)	(\$17,874)	(\$15,781)	(\$17,716)	(\$14,797)
Other Interest Income	(995)	\$9,794	(\$182)	\$402	\$190
Other Adjustments/ Contributed Capital	(36,345)	(\$43,625)	(\$8,465)	(\$16,399)	(\$486)
Net Revenues	<u>\$33,249</u>	<u>\$38,428</u>	<u>\$44,540</u>	<u>\$42,691</u>	<u>\$59,340</u>

Note: Numbers may not add due to rounding.

Bond Service Coverage Calculation

Pursuant to the Rate Covenant, Airport Revenues, together with Other Available Funds, less Operating Expenses, must be at least equal to 125% of the amount of Outstanding Revenue Bonds maturing and becoming due in such Fiscal Year for the payment of principal and interest on all Outstanding Revenue Bonds. See “SECURITY FOR THE SERIES 2016 BONDS – Rate Covenant.” The following table describes the operating results of the Airport System for the years 2010 through 2014 and the Bond service coverage calculation for those years, calculated in accordance with the Rate Covenant. The information has been compiled from the audited financial statements for those years and is presented in thousands.

BOND SERVICE COVERAGE CALCULATION

	2010	2011	2012	2013	2014
	Actual	Actual	Actual	Actual	Actual
Airport Revenues					
Airline Revenues (Hopkins)	\$64,955	\$73,870	\$74,866	\$67,353	\$83,086
Non-Airline Revenues (Hopkins)	37,500	37,062	37,537	41,758	47,237
Total Airport Revenues (Burke)	854	646	902	744	1,119
Net Interest Income	92	160	90	144	75
Total Airport Revenues	103,401	111,738	113,396	109,999	131,517
Operating Expenses	70,152	73,310	68,855	67,164	72,101
Net Operating Income	33,249	38,429	44,541	42,835	59,316
Plus: Other Available Funds For Debt Service					
Passenger Facility Charges	15,002	18,307	18,309	24,588	14,000
AIP Grants (LOI)	15,587	2,002	2,252	1,948	2,180
Coverage Account Balance	18,063	18,065	18,073	18,081	18,083
Net Revenues Available For Debt Service	\$81,901	\$76,802	\$83,175	\$87,452	\$93,679
Bond Debt Service Charges	\$51,092	\$48,600	\$50,051	\$67,489	\$67,723
Bond Debt Service Coverage	1.60	1.58	1.66	1.30	1.38

Mid-Year Financial Reporting

The City, in each Fiscal Year, reports GAAP basis Airport financial results as of June 30. The reporting is done on an unaudited basis. The reporting as of June 30 for the years 2013, 2014, and 2015 is shown below.

MID-YEAR FINANCIAL REPORTING (Amounts in thousands)

	June 30, 2013	June 30, 2014	June 30, 2015
Operating Revenue			
Net Landing Fees	\$17,977	\$14,017	\$13,738
Terminal and Concourse Rentals	30,830	29,104	33,397
Concessions	11,776	16,878	18,336
Utility Sales/Other	4,006	2,465	1,949
Total Operating Revenue	\$64,588	\$62,464	\$67,419
Operating Expenses			
Operations	29,394	33,618	32,232
Maintenance	1,276	1,641	1,332
Depreciation and Amortization	25,271	25,433	26,179
Total Operating Expenses	55,940	60,691	59,744
Non-Operating Revenue/Expense			
Passenger Facility Charge Revenue	9,539	8,090	8,302
Non-Operating Expenses	(420)	(972)	(2,059)
Interest Income	99	35	42
Interest Expense	(17,676)	(17,264)	(19,141)
Amortization of Bond Issuance Expense, Discounts, and Loss on Refunding	(722)	244	253
Total Non-Operating Revenue/Expense	(9,181)	(9,867)	(12,602)
Capital and Other Contributions	1,041	1,130	1,720
Increase (Decrease) in Net Assets	\$508	\$(6,964)	\$(3,207)

Operating revenue increased over the period shown above due to increases in terminal and concourse rental rates to account for the reduction in net landing fees over the period. Net landing fee revenue decreases are a reflection of lower landed weight at the Airport, primarily due to the reduction in flights as a result of the dehubbing of United Airlines. Concession revenue increased during the period as a result of a \$1.50 parking rate increase (effective July 1, 2014) and because parking revenue (a portion of the Concessions category above) was accounted for as gross revenue starting in 2014. Prior to that parking revenue was accounted for net of costs.

Operating expenses increased from mid-year 2013 to 2014 mainly due to the change in the accounting treatment of parking. Beginning in 2014, as noted above, gross parking revenue was accounted for as part of gross operating revenue while parking expenses were accounted for with gross operating costs. In addition, 2013 personnel costs appear lower than normal due to mid-year accrual credits for employee departures from Airport employment. The costs were reflected in the full-year 2013 operating costs.

Outstanding Bonds

After the issuance of the Series 2016 Bonds, there are \$724,375,000 aggregate principal amount of Outstanding Revenue Bonds issued pursuant to the Trust Indenture and secured by the Airport Revenues and the moneys in the Special Funds, consisting of:

<u>Series of Airport System Revenue Bonds</u>	<u>Aggregate Principal Amount Outstanding</u>
Series 2000C	\$6,000,000
Series 2006A	48,065,000
Series 2006B	1,610,000
Series 2007B	7,295,000
Series 2008D	5,975,000
Series 2009C	107,305,000
Series 2009D	30,200,000
Series 2011A	49,930,000
Series 2012A	235,150,000
Series 2013A	58,000,000
Series 2014A	24,025,000
Series 2014B	6,465,000
Series 2016A	108,120,000
Series 2016B	<u>36,235,000</u>
Total	<u>\$724,375,000</u>

(collectively, the “Outstanding Revenue Bonds”). All of the Outstanding Revenue Bonds are, and upon their issuance the Series 2016 Bonds will be, secured equally and ratably by Airport Revenues and the moneys in the Special Funds, including the Bond Service Reserve Fund. Five series of Outstanding Revenue Bonds (Series 2008D, Series 2009D, Series 2013A, Series 2014A and Series 2014B) are variable rate bonds. Each of the variable rate series of Outstanding Revenue Bonds are subject to mandatory tender for purchase upon expiration of the credit facilities or upon the bank purchase date, as applicable. Failure of the City to convert or redeem those bonds, extend or replace the credit facilities or extend the index rate mode with the current bank upon such purchase dates could result in less favorable terms imposed on the Airport pursuant to the current financing arrangements.

The Series 2008D and Series 2009D Bonds are variable rate demand bonds that are additionally secured by separate direct pay bank letters of credit. They comprise 4.9% of the total principal of the Outstanding Revenue Bonds. Each of the current direct pay letters of credit expire on June 10, 2016. The chart below provides summary information with respect to the credit facilities relating to those Bonds.

Credit Facilities for Revenue Bonds

	Series 2008D Bonds	Series 2009D Bonds
Principal Amount	\$5,975,000	\$30,200,000
Expiration Date	June 10, 2016	June 10, 2016
Letter of Credit Provider	Bank of America, N.A.	Bank of America, N.A.
Credit/Provider Ratings (Fitch/Moody's/S&P)		
Short-Term	F1/P-1/A-1	F1/P-1/A-1
Long-Term	A+/A1/A	A+/A1/A

The Series 2013A, Series 2014A, and Series 2014B Bonds are variable rate bonds purchased directly by a commercial bank that bear interest in an index floater variable rate mode that is computed monthly. The direct purchase bonds currently comprise 10.8% of the total principal of the Outstanding Revenue Bonds and are subject to mandatory purchase on April 24, 2016 and February 10, 2017, as set forth below. The chart below provides summary information with respect to those Bonds.

Direct Purchase Revenue Bonds

	Series 2013A Bonds	Series 2014A Bonds	Series 2014B Bonds
Principal Amount	\$58,000,000	\$24,025,000	\$6,465,000
Mandatory Purchase Date	April 24, 2016	February 10, 2017	February 10, 2017
Purchaser	U.S. Bank	U.S. Bank	U.S. Bank

Hedge Agreements

There are currently no Hedge Agreements in place with respect to the Outstanding Revenue Bonds.

Debt Service Requirements

The following table sets forth the annual debt service requirements that will accrue in each year on the Outstanding Bonds. The debt service shown on the table is for the period in which it accrues. Differences in totals may occur due to rounding. Debt service on the Revenue Bonds that are variable rate bonds is based on the respective assumed interest rates noted below and the scheduled sinking fund redemption requirements.

Date (January 1)	Outstanding Debt Service ¹	Series 2016A Bonds Debt Service	Series 2016B Bonds Debt Service	Total Debt Service
2017	\$66,807,552.90	\$4,625,133.33	\$437,839.58	\$71,870,525.81
2018	59,827,193.00	8,341,000.00	1,811,750.00	69,979,943.00
2019	59,827,399.50	8,229,250.00	1,811,750.00	69,868,399.50
2020	60,056,719.50	8,405,750.00	1,811,750.00	70,274,219.50
2021	60,022,963.00	8,351,000.00	1,811,750.00	70,185,713.00
2022	46,627,811.50	8,490,750.00	13,261,750.00	68,380,311.50
2023	39,126,130.00	12,790,000.00	13,299,250.00	65,215,380.00
2024	39,251,015.00	12,780,000.00	13,361,250.00	65,392,265.00
2025	51,969,120.00	12,950,000.00	0.00	64,919,120.00
2026	51,967,223.00	12,890,000.00	0.00	64,857,223.00
2027	51,802,208.00	13,010,000.00	0.00	64,812,208.00
2028	52,898,599.00	12,900,000.00	0.00	65,798,599.00
2029	52,862,547.00	13,070,000.00	0.00	65,932,547.00
2030	53,195,845.00	12,905,000.00	0.00	66,100,845.00
2031	53,220,529.00	13,020,000.00	0.00	66,240,529.00
2032	5,475,581.00	0.00	0.00	5,475,581.00
2033	<u>5,644,287.00</u>	<u>0.00</u>	<u>0.00</u>	<u>5,644,287.00</u>
Total	\$810,582,723.40	\$162,757,883.33	\$47,607,089.58	\$1,020,947,696.31

¹ Assumes the following interest rates with respect to each of the following series of Revenue Bonds that are variable rate bonds in accordance with requirements of the Indenture for the computation of debt service for the test for the issuance of Additional Bonds and for the calculation of the Required Bond Service Reserve: Series 2008D (1.85%), Series 2009D (1.85%), Series 2013A (3.66%), Series 2014A (2.56%) and Series 2014B (1.75%).

AVIATION SECTOR

Airline Information

Certain Signatory Airlines (or their respective parent corporations) are subject to the information reporting requirements of the Exchange Act and in accordance therewith file reports and other information with the SEC. Only companies with securities listed on a national securities exchange or registered under §12(g) of the Exchange Act, or companies which are required to file with the SEC under §15(d) of the Exchange Act, are subject to the information reporting requirements. Certain information, including financial information, concerning each reporting Signatory Airline (or its respective parent corporation) is disclosed in such reports and statements filed with the SEC. Such reports and statements can be inspected in the Public Reference Rooms of the SEC which can be located by calling the SEC at 1-800-SEC-0330. In addition, electronically filed SEC reports can be obtained from the SEC's website at <http://www.sec.gov>. In addition, each domestic Signatory Airline is required to file periodic reports of financial and operating statistics with the U.S. Department of Transportation (the "DOT"). Such reports can be inspected at the following location: Office of Airline Information, Bureau of Transportation Statistics, Department of Transportation, Room 4201, 400 Seventh Street, S.W., Washington, D.C. 20590, and copies of such reports can be obtained from the DOT at prescribed rates. For more information about the airline industry, see "CERTAIN INVESTMENT CONSIDERATIONS" above.

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APPENDIX A

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS AND THE TRUST INDENTURE

The following is a summary of certain of the terms and provisions of the Amended and Restated Trust Indenture (Seventeenth Supplemental Trust Indenture dated as of November 1, 2011) effective as of January 31, 2012 (the “Trust Indenture”) and of the Use Agreements (defined below). The following summary does not purport to be a complete description of the Trust Indenture or the Use Agreements and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the Trust Indenture and the Use Agreements. The following summary supplements the information set forth elsewhere in this Official Statement and should be read in conjunction therewith. Capitalized terms used herein and not otherwise defined herein have the meaning given to such terms in the Official Statement or in the Trust Indenture.

DEFINITIONS

“Additional Revenue Bonds” means any Revenue Bonds authorized pursuant to and issued under the Trust Indenture on a parity with the outstanding Revenue Bonds, but will not include Special Revenue Bonds.

“Airport Revenues” means (a) all rentals, charges, landing fees, use charges and concession revenues now or hereafter received by or on behalf of the City in its proprietary capacity as the owner of the Airport System in connection with the operation, improvement and enlargement of the Airport System, or any part thereof; (b) subject to the provisions of the Trust Indenture, all income or revenues resulting from the investment of any of the Special Funds; and (c) all gifts, grants, reimbursements or payments received from governmental units or public agencies for the benefit of the Airport System which are (i) not restricted in application to a special purpose and (ii) otherwise lawfully available for the payment of charges with respect to the Revenue Bonds. Airport Revenues will not include any passenger facility charge or tax which may be authorized by the United States Congress (unless the City otherwise elects) or any revenue or income from any Special Facilities to the extent such revenue or income is pledged to pay principal, interest or any other charges for Special Revenue Bonds or other obligations issued in anticipation thereof, or to the extent such revenue or income is for the use of the City in reimbursement of costs incurred by it in the construction or provision of Special Facilities.

“Airport System” means Cleveland Hopkins International Airport and Burke Lakefront Airport.

“Airport System Expense” means the amount determined pursuant to the Use Agreements for purposes of computing the landing fee and certain other payments and deposits.

“Annual Budget” means the annual budget of the Airport System prepared by the City for the succeeding Fiscal Year.

“Annual Reports” means the reports prepared by the City’s Director of Port Control pursuant to the Use Agreements.

“Assumed Amortization Period” means the period of time specified in paragraph (a) or paragraph (b) below, as selected by the Fiscal Officer:

(a) Five years; or

(b) The period of time, exceeding five years, set forth in a written opinion delivered to the City, of an investment banker selected by the City and experienced in underwriting indebtedness of the character of the Revenue Bonds, as being not longer than the maximum period of time over which indebtedness having comparable terms and security issued or incurred by similar issuers of comparable credit standing would, if then being offered, be marketable on reasonable and customary terms.

“Assumed Interest Rate” means the rate per annum (determined as of the last day of the calendar month next preceding the month in which the determination of the Assumed Interest Rate is being made except for the initial determination for Balloon Bonds of any series which will occur on the date of issuance of such series) set forth in an opinion delivered to the City of an investment banker selected by the City and experienced in underwriting indebtedness of the character of the Revenue Bonds, as being not lower than the lowest rate of interest at which indebtedness having comparable terms, security and federal tax status amortized on a level debt service basis over a period of time equal to the Assumed Amortization Period, and issued or incurred by similar issuers of comparable credit standing would, if being offered as of the date of such opinion, be marketable on reasonable and customary terms; provided that such rate will be neither (a) lower than the lower of (i) the rate specified in the Fixed Rate Index, as in effect on the date of such opinion, or (ii) the rate on fixed rate Revenue Bonds of the City having comparable terms (except for interest rate), security and federal tax status as the Balloon Bonds and issued on or not more than 30 days prior to the date of such opinion, nor (b) higher than the highest rate permitted by law at which such Revenue Bonds could be sold on that day.

“Balloon Bonds” means any Revenue Bonds, or notes issued in anticipation thereof, including any Variable Rate Bonds, if (a) 25% or more of the principal payments of which are due in a single year, excluding any such principal payments that are subject to mandatory sinking fund requirements in a prior year, or (b) 25% or more of the principal of which may, at the option of the holder or holders thereof, or will, upon the occurrence of events specified in the Bond proceedings providing for those Revenue Bonds or notes, be redeemed or tendered at one time.

“Bond Insurer” means, with respect to a series of Revenue Bonds, any issuer of a municipal bond insurance policy insuring the payment of the principal of and interest on the Revenue Bonds of that series.

“Completion Date” means, for each Project or component thereof, the cost of which is to be paid in whole or in part from the proceeds of a series of Revenue Bonds, the date on which such Project, or component thereof, is substantially completed and placed in service, as evidenced pursuant to Section 6.03 of the Trust Indenture.

“Credit Provider” means, with respect to a series of Revenue Bonds, the provider of any Credit Support Instrument for the payment of Bond service charges for that series of Revenue Bonds specified in the applicable Supplemental Indenture.

“Credit Support Instrument” means letters of credit, lines of credit, stand-by, contingent, or firm securities purchase agreements, insurance, surety arrangements, guarantees, and other arrangements that provide for direct or contingent payment of Bond service charges on Revenue Bonds, debt charges on Subordinated Indebtedness or General Obligation Debt or amounts owed under Hedge Agreements, or for security in the event of nonpayment of those Bond service charges, debt charges or other amounts, or upon certain conditions occurring under put or similar arrangements, or for otherwise supporting the credit or liquidity of Revenue Bonds, Subordinated Indebtedness, General Obligation Debt or Hedge Agreements, and includes credit, reimbursement, marketing, remarketing, indexing, carrying, and subrogation agreements, and other agreements and arrangements for payment and reimbursement of the person providing the credit support.

“Defeasance Obligations” means Government Obligations and Government Certificates.

“Eligible Investments” means and includes any of the following, if and to the extent the same are at the time legal for the investment of the City’s money:

- (a) Government Obligations and Government Certificates;
- (b) Obligations issued or guaranteed by any of the following:
 - (i) Federal Home Loan Bank System,
 - (ii) Export-Import Bank of the United States,
 - (iii) Federal Financing Bank,
 - (iv) Government National Mortgage Association,
 - (v) Farmers Home Administration,
 - (vi) Federal Home Loan Mortgage Company,
 - (vii) Federal Housing Administration,
 - (viii) Private Export Funding Corp.,
 - (ix) Federal National Mortgage Association,
 - (x) Federal Farm Credit Bank, and
 - (xi) Resolution Trust Corporation,

or any indebtedness issued or guaranteed by any instrumentality or agency of the United States;

(c) Pre-refunded municipal obligations rated in the highest rating category by at least two Rating Agencies and meeting the following conditions:

- (i) (A) such obligations are not to be redeemed prior to maturity or the Trustee has been given irrevocable instructions concerning their call for redemption, and (B) the issuer of such obligations has covenanted not to redeem such obligations other than as set forth in such instructions;
- (ii) such obligations are secured by Government Obligations or Government Certificates that may be applied only to interest, principal, and premium payments on such obligations;

(iii) the principal of and interest on such Government Obligations or Government Certificates (plus any cash in the escrow fund with respect to such pre-refunded obligations) are sufficient to meet the liabilities of the obligations;

(iv) the Government Obligations or Government Certificates serving as security for the obligations are held by an escrow agent or trustee; and

(v) such Government Obligations or Government Certificates are not available to satisfy any other claims, including those against the trustee or escrow agent;

(d) Direct and general long-term obligations of any state of the United States of America or the District of Columbia (a “state”), to the payment of which the full faith and credit of such state is pledged and that are rated in either of the two highest rating categories by at least two Rating Agencies;

(e) Direct and general short-term obligations of any state, to the payment of which the full faith and credit of such state is pledged and that are rated in the highest rating category by at least two Rating Agencies;

(f) Interest-bearing demand or time deposits with, or interests in money market portfolios rated AAA-m by Standard & Poor’s issued by state banks or trust companies or national banking associations that are members of the Federal Deposit Insurance Corporation (“FDIC”). Such deposits or interests must be (i) continuously and fully insured by FDIC, (ii) if they have a maturity of one year or less, with or issued by banks that are rated in one of the two highest short-term rating categories by at least two Rating Agencies, (iii) if they have a maturity longer than one year, with or issued by banks that are rated in one of the two highest rating categories by at least two Rating Agencies, or (iv) fully secured by Government Obligations or Government Certificates. Such Government Obligations or Government Certificates must have a market value at all times at least equal to the principal amount of the deposits or interests. The Government Obligations or Government Certificates must be held by a third party (who will not be the provider of the collateral), or by any Federal Reserve Bank or depository, as custodian for the institution issuing the deposits or interests. Such third party will have a perfected first lien in the Government Obligations or Government Certificates serving as collateral, and such collateral is to be free from all other third party liens;

(g) Eurodollar time deposits issued by a bank with a deposit rating in one of the two highest short-term credit rating categories by at least two Rating Agencies;

(h) Repurchase agreements, (i) the maturities of which are 30 days or less or (ii) the maturities of which are longer than 30 days and not longer than one year, provided the collateral subject to such agreements is marked to market daily, and in either case is entered into with financial institutions such as banks or trust companies organized under state law or national banking associations, insurance companies, or government bond dealers reporting to, trading with, and recognized as a primary dealer by, the Federal Reserve Bank of New York and a member of the Security Investors Protection Corporation (“SIPC”), or with a dealer or parent holding company that is rated investment grade (“A” or better) by at least two Rating Agencies. The repurchase agreement will be in respect of Government Obligations or Government

Certificates or obligations described in paragraph (b) of this definition. The repurchase agreement securities and, to the extent necessary, Government Obligations and Government Certificates or obligations described in paragraph (b), exclusive of accrued interest, will be maintained in an amount equal to at least 103% of the amount invested in the repurchase agreements. In addition, the provisions of the repurchase agreement will meet the following additional criteria:

(i) the third party (who will not be the provider of the collateral) has possession of the repurchase agreement securities and the Government Obligations or Government Certificates;

(ii) failure to maintain the requisite collateral levels will require the third party having possession of the securities to liquidate the securities immediately; and

(iii) the third party having possession of the securities has a perfected, first priority security interest in the securities;

(i) Public housing bonds issued by public agencies. Such bonds must be: (i) fully secured by a pledge of annual contributions under a contract with the United States of America; (ii) temporary notes, preliminary loan notes, or project notes secured by a requisition or payment agreement with the United States of America; or (iii) obligations of a State, public agency or municipality rated in the highest credit rating category by at least two Rating Agencies;

(j) Money market accounts of any state or federal bank, or bank whose holding parent company is rated in one of the two highest short-term or long-term rating categories by at least two Rating Agencies;

(k) Investment agreements, the issuer or guarantor of which is rated in one of the two highest rating categories by at least two Rating Agencies; and

(l) Any debt or fixed income security, the issuer of which is rated in the highest rating category by at least two Rating Agencies.

Ratings of Eligible Investments referred to herein will be determined at the time of purchase of such Eligible Investments and without regard to ratings subcategories. As used in this definition of Eligible Investments, unless provided otherwise in a Supplemental Indenture, "Rating Agency" means Fitch, Moody's or Standard & Poor's.

"Fiscal Officer" means the Director of Finance of the City.

"Fiscal Year" means the twelve-month period commencing on January 1 of any year and expiring on December 31 of such year.

"Fitch" means Fitch Ratings, and its successors and assigns, or, if such firm will be dissolved or liquidated or will no longer perform the functions of a securities rating service, Fitch means any other nationally recognized securities rating service designated by the City.

“Fixed Rate Index” means (a) if the outstanding Revenue Bonds (without regard to any credit enhancement) are rated not lower than A3 by Moody’s or A by Standard & Poor’s, the yields for Aaa insured bonds as provided by Municipal Market Data or any successor thereto and published or made available in *The Bond Buyer* or similar publication, or, if Municipal Market Data ceases to provide that index, then such other publicly available and comparable index selected by the City and acceptable to the Rating Agencies, and (b) if the outstanding Revenue Bonds (without regard to any credit enhancement) are rated lower than the aforesaid ratings by either Rating Agency, the Revenue Bond Index or successor index published in *The Bond Buyer*, or, if *The Bond Buyer* ceases to publish such an index, then such other publicly available and comparable index selected by the City and not disapproved by the Trustee after reasonable notice from the City.

“General Obligation Debt” means the general obligation notes and bonds issued by the City in connection with the financing of improvements and additions to the Airport System. Currently there is no outstanding General Obligation Debt.

“Governing Body” means the Council of the City.

“Government Certificates” means (in the case of Government Obligations) evidences of ownership of proportionate interests in future interest or principal payments of Government Obligations, including depository receipts thereof. Investments in such proportionate interest must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying Government Obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying Government Obligations; and (c) the underlying Government Obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

“Government Obligations” means direct and general obligations of, or obligations the timely payment of principal and interest on which are unconditionally guaranteed by, the United States of America.

“Hedge Agreement” means an interest rate swap, swap option, rate cap, rate collar and other arrangements undertaken with respect to Revenue Bonds or Subordinated Indebtedness to reduce costs of borrowing or optimize relative amounts of fixed and variable rate obligations or reduce the risk of variations in debt service costs, including without limitation, arrangements by which different interest costs or receipts at, between or among fixed or variable interest rates, or at different fixed or variable interest rates or maturities are exchanged in respect of Revenue Bonds or Subordinated Indebtedness.

“Majority In Interest” means, except with respect to the Terminal Complex, either: (a) 50% or more in number of all the Signatory Airlines, which percentage has, on the date in question, more than 50% of the aggregate by Maximum Landing Weight of Revenue Aircraft Arrivals of all Signatory Airlines at the Airport during the latest 12-month period for which such figures are available as to all Signatory Airlines; or, alternatively, (b) 40% or more in number of all Signatory Airlines, which percentage has, on the date in question, more than 70% of the aggregate by Maximum Landing Weight of Revenue Aircraft Arrivals of all Signatory Airlines

at the Airport during the latest 12-month period for which such figures are available as to all Signatory Airlines. “Majority in Interest” with respect to the Terminal Complex means 50% or more in number of all Signatory Airlines having Exclusive Leased Premises and Preferential Leased Premises in the Terminal Complex, which percentage has, on the date in question, more than 50% of the total Exclusive Leased Premises and Preferential Leased Premises of all Signatory Airlines, on a square foot basis, in the Terminal Complex. (Capitalized terms not otherwise defined herein have the meanings set forth in the Use Agreements.)

“Maximum Landing Weight” means the maximum weight, in 1,000 pound units, at which each aircraft operated by Airline or the Signatory Airlines is authorized to land at the Airport, as specified in Airline’s flight manual approved by the Federal Aviation Administration governing that type of aircraft.

“Moody’s” means Moody’s Investors Service, Inc., a corporation existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation will no longer perform the functions of a securities rating agency, “Moody’s” will mean any other nationally recognized rating agency designated by the City.

“Operating Expenses” means all costs and expenses for the operation, maintenance, repair and administration of the Airport System in order to maintain, repair and operate the Airport System in a reasonable and prudent manner, and including items normally included as essential expenses in the operating budget of a municipally owned facility comparable to the Airport System, and including without limiting the generality of the foregoing: (a) insurance premiums; (b) the City’s administrative expenses allocable to the Airport System (including, without limitation, engineering, architectural, legal, consultants, and accounting fees and expenses); (c) the City’s Airport System employees’ compensation (including, without limitation, costs of worker’s compensation insurance and all employee fringe benefits applicable to such employees from time to time); (d) any taxes or assessments, whether general or special, which are lawfully imposed on the Airport System or on the revenue or income derived from the operation thereof; (e) charges for electricity, water, telephone and other public or private utility services; (f) fees and expenses of the Trustee and Paying Agents; (g) fees and expenses of independent engineers, architects, consultants, accountants and attorneys retained by the City in connection with the Trust Indenture; (h) fees and expenses of any remarketing agent for Revenue Bonds and fees and expenses of any Credit Facility Provider for Revenue Bonds; and (i) other reasonable current expenses, which will include repayment to the City for any moneys voluntarily advanced from its general funds to the Airport System, and all as calculated and determined in accordance with generally accepted accounting practices. Operating Expenses will not include: (i) any such expenses (including payment of principal, interest and redemption premium, if any, on Special Revenue Bonds paid or incurred by the City in connection with a Special Facility) to the extent such expenses are not properly includable in the City’s Annual Budget; (ii) Bond service charges; (iii) debt service on General Obligation Debt; (iv) any charges for depreciation or obsolescence, or reserves therefor, amortization of intangibles or other bookkeeping entries of a similar nature; (v) any other expenses for which or to the extent to which the City has been reimbursed from or through any source whatsoever (including the Renewal and Replacement Fund, the Airport Improvement Fund, or any similar funds or accounts), and the amount so received or credited, or to be received or credited, is not included or includable as Airport Revenues; (vi) expenditures for capital improvements to the Airport

System; (vii) losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the Airport System; and (viii) to the extent any Use Agreements restrict the expenses associated with Burke Lakefront Airport that may be considered in the rates and charges to be paid by the Signatory Airlines, all maintenance, operating and administrative expenses attributable to the operation of Burke Lakefront Airport and all debt service on General Obligation Bonds issued by the City in connection with improvements at Burke Lakefront Airport, to the extent that such expenses and debt service exceed the Burke Deficit as defined in the Use Agreements and as adjusted pursuant to Section 8.05(b)(vi) thereof.

“Original Indenture” means the Trust Indenture, dated as of November 1, 1976, between the City and the Trustee, as amended by the First Supplemental Trust Indenture dated as of April 1, 1990, the Second Supplemental Trust Indenture dated as of August 1, 1994, the Third Supplemental Trust Indenture dated as of November 1, 1997, the Fifth Supplemental Trust Indenture dated as of October 15, 2003, and the Sixth Supplemental Trust Indenture dated as of January 1, 2006, each between the City and the Trustee, which Original Indenture was amended and restated by the Amended and Restated Trust Indenture (Seventeenth Supplemental Trust Indenture dated as of November 1, 2011) effective January 31, 2012.

“Other Available Funds” means any moneys transferred to the Revenue Fund by the City from any other Special Fund, including without limitation, moneys transferred to the Revenue Fund from the Airport Development Fund, and any moneys not otherwise constituting Airport Revenues and deposited in, or transferred to, the Revenue Fund or the Bond Service Fund, including without limitation Passenger Facility Charges; provided that such moneys have not been taken into account in the calculation of the amount of Bond service charges on outstanding Revenue Bonds with the effect of reducing those Bond service charges.

“Outstanding Bonds”, “Outstanding Revenue Bonds” or “Revenue Bonds outstanding”, “Outstanding” or “outstanding” means all Revenue Bonds which have been authenticated and delivered or are then being delivered, by the Trustee, as of any date, under the Trust Indenture except: (i) Revenue Bonds surrendered for exchange or transfer or cancelled because of payment or redemption at or prior to such date; (ii) Revenue Bonds for the payment, redemption or purchase for cancellation of which sufficient moneys have been deposited prior to such date with the Trustee (whether upon or prior to the maturity or redemption date of any such Revenue Bonds), or which are deemed to have been paid and discharged pursuant to the provisions of the Indenture; provided that if such Revenue Bonds are to be redeemed prior to the maturity thereof, notice of such redemption will have been given or arrangements satisfactory to the Trustee will have been made therefor, or waiver of such notice satisfactory in form to the Trustee will have been filed with the Trustee, and provided further that if such Revenue Bonds are to be purchased for cancellation, a firm offer for sale stating the price has been received and accepted; and (iii) lost, stolen, mutilated or destroyed Revenue Bonds in lieu of which others have been authenticated (or payment, when due, of which is made without replacement) under the Trust Indenture.

“Paying Agent” means the Trustee and any other commercial bank or trust institution organized under the laws of any State of the United States of America or any national banking association designated by any applicable supplemental indenture as paying agent for the Revenue

Bonds at which the principal of and redemption premium, if any, and interest on such Bonds will be payable.

“Qualified Hedge Agreement” means a Hedge Agreement provided that: (a) the City’s obligations to the Hedge Counterparty in respect of periodic, interest-equivalent payments are insured by a policy of insurance or financial guarantee issued by a monoline insurance company with a claims paying ability rating at the time of issuance from S&P or Fitch of AAA or a financial strength rating from Moody’s of Aaa or an equivalent rating determined by another nationally recognized ratings service, or (b) the Hedge Counterparty does not have any right to terminate the Hedge Agreement, or to require collateral to be posted by the City, upon the downgrade of the City’s credit rating by Standard & Poor’s or Moody’s or Fitch or other nationally recognized ratings service, or (c) the Hedge Agreement permits the City to elect to satisfy any payment owed to the Hedge Counterparty upon early termination in annual installments over a period of not less than five years.

“Rating Agency” means, with respect to any series of Revenue Bonds, Moody’s, Standard & Poor’s, or Fitch, or any other nationally recognized credit rating agency or agencies specified as such in the applicable Supplemental Indenture.

“Renewal and Replacement Fund Requirement” means, an amount not less than the greater of (i) 2% of the aggregate principal amount of Airport Revenue Bonds Outstanding, from time to time, or (ii) \$5,000,000.

“Required Bond Service Reserve” means as of any date of calculation an amount equal to the highest annual Bond service charges to be paid on the Revenue Bonds in any Fiscal Year.

“Revenue Aircraft Arrivals” means any aircraft arrival at the Airport for which Airline has received or made a monetary fee or charge, including, without limitation, scheduled trips, charters, sightseeing, and other trips for which revenue is received. Such term will also include training and test flights, ferry, courtesy, inspection, or other trips for which no fee or charge is received, but only to the extent that the number of such flights operated by Airline during any calendar month is in excess of 5% of the number of Revenue Aircraft Arrivals of Airline at the Airport during such calendar month. A revenue flight which returns to the Airport because of mechanical, meteorological, or other precautionary reasons, without landing at another airport, will not be considered a Revenue Aircraft Arrival.

“Revenue Bonds” or **“Bonds”** means the Revenue Bonds issued and outstanding from time to time under the Trust Indenture.

“Revenue Bond Anticipation Notes” means any notes issued in anticipation of the issuance of a series of Additional Revenue Bonds.

“Series Bond Legislation” means, with respect to any series of Revenue Bonds, the ordinance passed by the Governing Body authorizing the issuance of such series of Revenue Bonds.

“Series Bond Proceedings” means, with respect to any series of Revenue Bonds, the Series Bond Legislation for such series of Revenue Bonds, any resolution of award or Series

Certificate of Award applicable to such series of Revenue Bonds and the Supplemental Indenture authorizing the issuance of such Revenue Bonds.

“Series Certificate of Award” means, with respect to any series of Revenue Bonds, a certificate executed on behalf of the City by the Director of Finance, setting forth and determining, pursuant to the applicable Series Bond Legislation and subject to any limitations, restrictions, and requirements as may be specified therein, such terms, conditions, and other details of such series of Revenue Bonds (including, without limitation, the original purchasers thereof) as are authorized to be set forth and determined therein by such Series Bond Legislation.

“Signatory Airline (or Scheduled Airline)” means any Air Carrier that has entered into an agreement with the City substantially similar to the Use Agreements and commits to lease from the City one or more preferential or exclusive use aircraft gates or in the case of an all cargo Air Carrier commits to concurrently sign a lease for a cargo building or other premises containing at least 5,000 square feet, if that space is available. If that minimum amount of square footage is not available for lease to an all cargo Air Carrier, the City’s Director of Port Control may grant Signatory Airline status to an all cargo Air Carrier leasing a lesser amount of space until such time as additional space becomes available.

“Special Facility or Facilities” means any hangar, maintenance buildings, or any other facility, improvement, or structure to be acquired or constructed on the Airport System, the cost of construction, acquisition, maintenance and operation of which are financed by Special Revenue Bonds and user charges.

“Special Funds” under the Trust Indenture means collectively the Revenue Fund, the Construction Fund, the Bond Service Fund, the Bond Service Reserve Fund, the Operating and Maintenance Fund, the Subordinated Debt Service Fund, the General Obligation Debt Service Fund, the Renewal and Replacement Fund, the Airport Development Fund (and the Airport Account and the Airline Account therein), and any other funds or accounts permitted by, established under, or identified in the Trust Indenture, except the Rebate Fund.

“Special Revenue Bonds” means revenue bonds or obligations authorized and issued by the City for the purpose of acquiring, constructing or improving a Special Facility to be leased to, or contracted for operation by, any person or entity, including the City, with the income therefrom to be used for the payment of sums adequate to pay all principal, interest, redemption premiums, if any, and reserves, if any, as required in the legislation authorizing such Special Revenue Bonds and all operating expenses incurred in the operation of the Special Facility. Special Revenue Bonds are not issued under or secured by the Trust Indenture.

“Standard & Poor’s” means Standard & Poor’s Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc., a corporation existing under the laws of the state of New York, its successors and assigns, and, if such corporation will no longer perform the functions of a securities rating agency, “Standard & Poor’s” will mean any other nationally recognized rating agency designated by the City.

“Subordinated Indebtedness” means any obligation or evidence of indebtedness incurred by the City in accordance with the Trust Indenture, the debt service charges on which are payable and secured on a basis subordinate to the Bond service charges on Revenue Bonds.

In determining the interest payable with respect to any Subordinated Indebtedness, there will be included any amounts owed by the City to a provider of a Credit Support Instrument for that Subordinated Indebtedness and to a counterparty under any Hedge Agreement relating to that Subordinated Indebtedness in respect of periodic, interest equivalent payments but not any amounts owed in respect of early termination of any Hedge Agreement.

“Trust Indenture” means the Amended and Restated Trust Indenture (Seventeenth Supplemental Trust Indenture dated as of November 1, 2011) between the City and the Trustee that amended and restated the Original Indenture, effective January 31, 2012.

“Variable Rate Bond” means any Revenue Bond that does not bear interest throughout its term at a fixed rate, but that does bear interest at a rate that, during part or the entirety of the term of such Revenue Bond, varies from time to time based upon a formula or other method of determination set forth in the applicable Supplemental Indenture, subject to a maximum rate of interest set forth therein. Once the rate of interest on any Revenue Bond that had been a Variable Rate Bond becomes fixed for the balance of the period until its maturity that Revenue Bond will cease to be a Variable Rate Bond. A Revenue Bond will not be deemed a Variable Rate Bond solely on the basis that the rate of interest thereon may be adjusted if such interest becomes includable in gross income for purposes of federal income taxation.

SUMMARY OF CERTAIN PROVISIONS OF THE USE AGREEMENTS

Each of the Use Agreements between the City and the Signatory Airlines is in substantially the same form. The Use Agreements consist of (a) the Agreement and Lease, effective as of the later of January 1, 1976 or the date it was signed by the Signatory Airline, and (b) Amendment No. 1 effective as of January 1, 2006. Each Use Agreement generally provides that the Signatory Airline will pay rentals for space occupied at the Airport and will pay landing fees in consideration for the rights to use the Airport granted under the Use Agreement. The Use Agreements enable the City to adjust the landing fees and rentals of the Signatory Airlines to provide Airport Revenues sufficient to meet the financial requirements of the Airport System, including debt service.

Term

The current Use Agreements terminated at midnight on December 31, 2015 and are currently operating on a month-to-month basis that is subject to termination by either party upon 30-days’ written notice. The City is currently negotiating a new Use Agreement with the airlines.

Calculation of Signatory Airline Payments

The Use Agreements require the City to prepare and submit to the Signatory Airlines, at least 90 days prior to each Fiscal Year, Annual Reports setting forth (a) the proposed Annual Budget (as defined in the Use Agreements) for the Airport System for the next Fiscal Year, reflecting all estimated Airport System maintenance, operating and administrative expenses and certain capital improvements; (b) a schedule of all debt service to accrue in such Fiscal Year in connection with Revenue Bonds, any Subordinated Indebtedness, any General Obligation Debt, any Credit Support Instrument and any Hedge Agreement; (c) a statement of estimated Airport

Revenues for such Fiscal Year from parties other than the Signatory Airlines; (d) a schedule of the capital improvements proposed for the succeeding term which are subject to Majority In Interest review; and (e) the City's calculation of rentals and landing fees for such Fiscal Year. The deficit allocable in any Fiscal Year to Burke Lakefront Airport in excess of the amount of the Burke Lakefront Airport deficit in 1975 (as described in the Use Agreement and as such deficit is adjusted for inflation) will not be included as an Airport System Expense in the calculation of landing fees.

The Use Agreements, while permitting the Signatory Airlines to raise objections to the Annual Reports, authorize the City to adopt the Annual Budget substantially in accordance with the proposed Annual Reports, as it may have been revised as a result of the City's giving due consideration to Signatory Airline's suggestions, comments or requests. A Majority In Interest of the Signatory Airlines, however, may disapprove capital improvements which will be funded through rentals, fees and charges and which will require the commitment by the City for the purchase or construction of (a) a single item at a cost of \$200,000 or more, or (b) items which in the aggregate cost in excess of \$700,000 (as such numbers are adjusted for inflation since 1975). If such capital improvements are disapproved, the City may still budget the cost of such capital improvements for the next Fiscal Year under certain circumstances unless the Signatory Airlines file an action for declaratory judgment in a court of competent jurisdiction contesting either the justification for the proposed capital improvements based on factors set forth in the Use Agreements or the reasonableness of the City's method of financing the costs of such improvements. If, after diligent prosecution by the Signatory Airlines of such action, it is dismissed by Signatory Airlines or a ruling thereon is ultimately made in favor of the City, the City may then proceed with the capital improvements at issue.

The Use Agreements authorize the City to adjust rentals and landing fees annually to reflect budgeted Airport Revenues, debt service coverage, and Airport System Expense (including debt service and capital improvements) included in the Annual Report for the Fiscal Year. In addition, if at any time during a Fiscal Year, Airport Revenues are insufficient to pay, when due, all items included in the Annual Reports for such Fiscal Year or to pay any other expense or cost incidental or necessary to, or arising out of, the operation of the Airport System, the City may at any time during such Fiscal Year, upon 90 days' notice to the Signatory Airlines, increase landing fees to such amount as is sufficient to assure the City that all such items, costs and expenses will be paid in full solely from Airport Revenues. The Use Agreements also permit the landing fees to be adjusted if any of the quarterly statements for a Fiscal Year vary by more than 10% from the projected landing fees for such quarter. Finally, if the audited financial statements for any Fiscal Year indicate that Airport Revenues did not equal Airport System Expenses, the difference will be charged to the Signatory Airlines over the remaining billing periods of the then current Fiscal Year. In the event that the landing fees produce Airport Revenues in excess of Airport System Expenses and a rebate is to be made to any Signatory Airlines, the City will reduce landing fees paid by general aviation users so that the resulting reduction in landing fees charged to general aviation users will equal any rebate paid to the Signatory Airlines.

Landing fees may not be payable by the Signatory Airlines in any period during which the Airport is closed or none of the Signatory Airlines are landing aircraft and, if such period is an extended one, Airport Revenues could be adversely affected.

Incentive Compensation

As an incentive to the City to provide efficient management of the Airport System, the Use Agreements provide that additional deposits will be made to the Airport Account of the Airport Development Fund (the City's discretionary account) in any year when the Airport System Expenses for the prior year were less than the Target Expenses for that year. Targeted Expenses are defined in the Use Agreements to be the budgeted Airport System Expenses adjusted for changes in the Consumer Price Index and adjusted for the percentage change in total enplaned passengers at the Airport. Additional deposits also will be made to the Airport Account of the Airport Development Fund based on the growth of non-airline revenue per enplaned passenger, exclusive of international passengers, over the non-airline revenue per enplaned passenger in 2005.

Damage or Destruction

The Use Agreements generally require that, prior to payment and discharge of all Revenue Bonds (or provision for their payment having been made), the Signatory Airlines must continue to pay rentals and landing fees without abatement or reduction if the leased premises are damaged or partially or totally destroyed by a casualty. The portion of the leased premises that was damaged or destroyed will generally be repaired from insurance proceeds, after payment of any expenses of obtaining or recovering them, as well as any additional moneys necessary therefor. To the extent such proceeds are insufficient to pay the costs of repair, each Signatory Airline is required to pay the costs of repairing the premises leased by such Signatory Airline. In addition, the City and the Signatory Airlines may determine to issue Additional Revenue Bonds to pay such costs. If Revenue Bonds are outstanding, any excess insurance proceeds will be paid into the Revenue Fund (as defined in the Use Agreements).

Condemnation

The Use Agreements generally require that, prior to payment and discharge of all Revenue Bonds (or provision for their payment having been made), the Signatory Airlines must continue to pay rentals and landing fees without abatement or reduction if title to or temporary use of the Airport System or any part of the Airport System is taken under the exercise of eminent domain. The proceeds of any condemnation award will be used to restore the remaining facilities of the Airport System to substantially the same prior condition or to acquire additional land or improvements. Any remaining net proceeds of a condemnation award will be used to redeem Revenue Bonds if any Revenue Bonds are then subject to redemption.

Events of Default and Remedies

Events of default under the Use Agreements include:

- (a) the failure of the Signatory Airline to pay rentals, landing fees or other payments within ten days after written demand for such payment;
- (b) the failure of the Signatory Airline to observe and perform any other covenant, condition or agreement on its part to be observed or performed and to remedy same, or commence action which will promptly remedy same which action is thereafter

diligently pursued, within 30 days after written notice is given by the City to the Signatory Airline;

(c) any execution or attachment will be issued against the Signatory Airline in connection with its operations at the Airport System and will not be discharged within 90 days after levy or seizure thereunder or the leased premises will be occupied by someone other than the Signatory Airline;

(d) the City will determine that the Signatory Airline has deserted or vacated the leased premises;

(e) the Signatory Airline will violate any provision of any insurance policy referred to in the Use Agreement resulting in such policy becoming void or unenforceable and the Signatory Airline will not cure the violation or the inadequate insurance upon written notice; or the Signatory Airline will in any way fail to perform and satisfy the requirements of any insurance policy referred to in the Use Agreement and the Signatory Airline will fail to conform to such requirements upon written notice; and

(f) the occurrence of certain events of bankruptcy.

Unless governmental restrictions or any other cause beyond its control have prevented the defaulting Signatory Airline from curing any event of default (other than a non-payment default), or the Signatory Airline is contesting or protesting such default, the City may, in addition to other remedies, reenter the leased premises and terminate the Use Agreement. The defaulting Signatory Airline is thereupon required to pay all amounts then owing to the City, and the City may relet the leased premises. The defaulting Signatory Airline is also required to pay to the City each month, as liquidated damages, an amount equal to the difference between amounts received from subsequent users of the leased premises and the monthly rentals, fees and charges which would have been payable had the Signatory Airline maintained the same average monthly level of operations at the Airport as the Signatory Airline maintained during the calendar year preceding the default.

Assignment and Subletting

The Signatory Airline may not assign or sublet the leased premises without the prior approval of the City, but no such approval is required for the assignment of the Use Agreement to an Affiliate (as defined in the Use Agreement), subject to certain requirements, or to any corporation with which the Signatory Airline may merge or consolidate or which may succeed to the Signatory Airline's business.

Signatory Airline's Right to Terminate

After either the payment in full of the Revenue Bonds or the aggregation of moneys in certain funds sufficient to pay and redeem the Revenue Bonds then outstanding, a Signatory Airline may terminate its Use Agreement. A Signatory Airline may also terminate its Use Agreement if, as a result of any legislative action of the United States or any action or non-action of any federal or other governmental agency, such Signatory Airline will cease to have the necessary authority to transport persons, property and mail at the Airport; no Signatory Airline

will have the right to terminate the Use Agreement under such circumstances, however, unless such governmental action or non-action was not requested by the Signatory Airline, the Signatory Airline made all reasonable efforts to prevent it, and it was not part of legislative action affecting any other Signatory Airline.

Renegotiation of Use Agreement

In the event that the connecting passengers as a percent of total passengers at the Airport falls below 15% for any consecutive three-month period during the term of the Use Agreement, the City may renegotiate the terms of the Use Agreements. If mutually agreeable terms cannot be reached within one calendar year, the Use Agreements will terminate.

Expiration of the Use Agreements

The City may agree, in its sole discretion, to permit a Signatory Airline to continue a tenancy at the Airport on a month-to-month basis. The City or the Signatory Airline may terminate that month-to-month tenancy upon 30 days' prior written notice to the other. During such tenancy, the Signatory Airline will pay to the City the same rates of rental and landing fees as were in effect at the expiration of the term of the Use Agreement, as subsequently adjusted as provided in the Use Agreement, unless different rates are agreed upon. The Signatory Airline will be bound by all of the additional provisions of the Use Agreement insofar as they may be pertinent.

SUMMARY OF CERTAIN PROVISIONS OF THE TRUST INDENTURE

Pledge of Airport Revenues

Revenue Bonds issued under the Trust Indenture are secured by a pledge and assignment of the Airport Revenues and the Special Funds. For a description of the Special Funds, see "SECURITY FOR THE SERIES 2016 BONDS – Allocation of Airport Revenues to Special Funds, – Bond Service Reserve Fund, – Renewal and Replacement Fund, and – Airport Development Fund." Neither Revenue Bonds nor the Trust Indenture constitute general obligation debt of the City, and the general resources of the City will not be required to be used, nor the full faith and credit of the City be pledged, for the performance of any duty thereunder, and the holders of Revenue Bonds will have no right to have excises or taxes levied by the City Council or any taxing authority of the State of Ohio or any political subdivision for the payment of debt service on the Revenue Bonds.

The City has assigned to the Trustee all its rights and interests in and to the Use Agreements for the benefit of the Holders of the Revenue Bonds. The City covenants in the Trust Indenture to instruct the Signatory Airlines and all other users of the Airport System, including concessionaires and other aircraft operators, to pay directly to the Trustee all amounts due to the City as the owner and operator of the Airport System.

The City will hold all amounts received by it from the Trustee pursuant to the Trust Indenture in trust and such moneys will be held separate and apart from, and will not be commingled with, the general funds or any other funds of the City. The City will restrict the use and application of such amounts in the manner set forth in the Trust Indenture. The amounts

held by the City are pledged to the payment of Bond service charges on the Revenue Bonds, subject to the condition that such amounts will be appropriated, transferred, expended or used for the purposes of the Airport System as provided in the Trust Indenture.

Additional Bonds Test

Additional Revenue Bonds may be issued by the City if there will have been received by the Trustee, among other things, a written report of the Airport Consultant that the projected Airport Revenues together with Other Available Funds, during each of the five complete Fiscal Years immediately following the issuance of the Additional Revenue Bonds, less the projected Operating Expenses during each of such Fiscal Years, are at least equal to 125% of the Bond service charges on all outstanding Revenue Bonds, including the Additional Revenue Bonds proposed to be issued, due during each of those five Fiscal Years, less, in each case, such Bond service charges on any Revenue Bonds that are to be redeemed or retired with the proceeds of such Additional Revenue Bonds. An alternative coverage ratio applies if there is General Obligation Debt of the City Outstanding for Airport System purposes. Currently, there is none.

A written report of the Airport Consultant is not required upon the issuance of Additional Revenue Bonds (1) when Airport Revenues, together with Other Available Funds, less Operating Expenses, for 12 of the past 18 months immediately preceding the proposed issuance of Additional Revenue Bonds or for the most recent Fiscal Year for which audited financial statements are available, are at least equal to 125% of Bond service charges on all Outstanding Revenue Bonds, including the Additional Revenue Bonds proposed to be issued, in each of the three complete Fiscal Years immediately following the issuance of the Additional Revenue Bonds, evidenced by a written certificate of the Director of Finance of the City delivered to the Trustee, (2) to refund or advance refund Revenue Bonds when either the refunding will result in aggregate net present value debt service savings or in each bond year that Bond service charges were payable on the refunded Revenue Bonds, the Bond service charges on the refunding Revenue Bonds are not greater than the Bond service charges on the refunded Revenue Bonds or the maximum annual Bond service charges on all Revenue Bonds to be Outstanding after the issuance of such Additional Revenue Bonds will not be greater than the maximum annual Bond service charges on all Revenue Bonds Outstanding prior to the issuance of such Additional Revenue Bonds, evidenced by a written certificate of the Director of Finance of the City delivered to the Trustee, or (3) to provide additional funds for the completion of a capital improvement project for which a series of Revenue Bonds has been issued, provided the principal amount of the Additional Revenue Bonds does not exceed 10% of the total cost of such project.

Computation of Bond Service Charges

The City may exclude from the calculation of Bond service charges on Outstanding Revenue Bonds due in any Fiscal Year under any provision of the Trust Indenture, principal and/or interest on Revenue Bonds for which sufficient moneys have been irrevocably deposited with the Trustee prior to the date of calculation, including, without limitation, Capitalized Interest Payments, passenger facility charges or other moneys not otherwise constituting Airport Revenues deposited in the Bond Fund, amounts deposited with the Trustee to defease

Outstanding Revenue Bonds and Net Proceeds of insurance or condemnation awards deposited in the Bond Fund.

For purposes of determining whether Additional Revenue Bonds may be issued in compliance with the Additional Bonds Test, the debt service coverage ratio calculation will exclude from the aggregate amount of Bond service charges amounts to be paid from revenues that are not then included in the pledged Airport Revenues if the City has contractually agreed (in the case of Outstanding Revenue Bonds) or will contractually agree (in the case of Additional Revenue Bonds) to make deposits from those revenues into the Bond Service Fund under a payment schedule specified in the applicable Supplemental Indenture and those revenues have not been counted as Other Available Funds in the debt service coverage calculation.

For purposes of determining whether Additional Revenue Bonds issued for the purpose of refunding Revenue Bonds may be issued in compliance with the Additional Bonds Test, the Bond service charges for such Additional Revenue Bonds will be used in lieu of Bond service charges for the Revenue Bonds being refunded.

Any series of Additional Revenue Bonds may be issued as Variable Rate Bonds. The Supplemental Indenture applicable to any series of Variable Rate Bonds will specify the method and procedure by which the rate of interest to be borne thereby will be determined and may provide for the right of the holders thereof to tender such Variable Rate Bonds for purchase by the City at the times, on the terms, and subject to the conditions set forth therein.

In the event that all or any portion of any series of Additional Revenue Bonds have been issued as or are proposed to be issued as Variable Rate Bonds, then in order to compute the Bond service charges on such Additional Revenue Bonds for the purposes of the Trust Indenture, the following rules will apply:

(a) For the purpose of determining compliance with the rate covenant for any period prior to the date of calculation, the rate of interest borne by such Variable Rate Bonds, including Variable Rate Bonds which are Balloon Bonds, will be deemed to be the actual weighted average rate in effect thereon during such period;

(b) For the purpose of determining whether Additional Revenue Bonds may be issued in compliance with the Additional Bonds Test, regardless of whether such Additional Revenue Bonds are to be Variable Rate Bonds, the rate of interest borne by any outstanding Variable Rate Bonds, except for Variable Rate Bonds which are Balloon Bonds, will be deemed to be the highest of (i) the highest rate of interest borne by such Variable Rate Bonds during the preceding twelve months or such shorter period that such Variable Rate Bonds may have been outstanding, (ii) the actual rate on the date of calculation, (iii) if the outstanding Variable Rate Bonds have been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation, or (iv)(A) if interest on the outstanding Variable Rate Bonds is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published Fixed Rate Index plus fifty (50) basis points, or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities plus fifty (50) basis points; and

(c) For the purpose of determining whether Additional Revenue Bonds that are to be Variable Rate Bonds may be issued in compliance with the Additional Bonds Test, and for the purpose of determining the amount of the Required Bond Service Reserve attributable to those Additional Revenue Bonds, those Additional Revenue Bonds will be deemed to bear interest at the Assumed Interest Rate and to be amortized on the basis of the Assumed Amortization Period;

(d) If the City has entered into a Hedge Agreement with respect to any Variable Rate Bonds under which the City will make fixed interest rate payments in exchange for a Hedge Counterparty making variable rate payments to the City, (i) at the election of the City, those Variable Rate Bonds may be assumed to bear interest at the fixed rate of interest simulated by the Hedge Agreement, in lieu of the rate determined under the above clauses (a), (b) or (c) and (ii) for purposes of determining compliance with the rate covenant, payments owed and received under the Hedge Agreement may be netted against each other for purposes of determining the interest paid on the Variable Rate Bonds.

(e) For the purpose of determining whether any outstanding Variable Rate Bond is deemed paid and discharged under the Trust Indenture, such Variable Rate Bond will be deemed to bear interest at the actual rate of interest borne thereby for the remainder of the period that such rate will remain in effect, and for any subsequent period prior to the time at which such Variable Rate is actually to be paid and discharged, such Variable Rate Bond will be deemed to bear interest at the maximum rate of interest such Variable Rate Bond may bear pursuant to the Series Bond Proceedings.

All or any portion of any series of Additional Revenue Bonds may be issued as Balloon Bonds. Regarding any Additional Revenue Bonds that are or are to be Balloon Bonds, for the purpose of (a) determining compliance with the rate covenant for any period prior to the date of calculation (except for Revenue Bonds that are to be issued as Variable Rate Bonds), (b) determining whether Additional Revenue Bonds, regardless of whether they are to be Balloon Bonds, may be issued in compliance with the Additional Bonds Test when any Balloon Bonds are outstanding, (c) determining whether Additional Revenue Bonds that are to be Balloon Bonds may be issued in compliance with the Additional Bonds Test, and (d) determining the amount of the Required Bond Service Reserve attributable to such Balloon Bonds, the Bond service charges on such Additional Revenue Bonds will be determined:

(i) if such Balloon Bonds are not Capital Appreciation Bonds (as defined in the Trust Indenture), by assuming that such Bonds are to be amortized on the basis of level debt service over the Assumed Amortization Period at the Assumed Interest Rate; and

(ii) if such Balloon Bonds are Capital Appreciation Bonds, by assuming that the Appreciated Principal Amount (as defined in the Trust Indenture) of such Bonds at maturity is to be amortized on the basis of level principal payments over the Assumed Amortization Period.

All or any portion of any series of Additional Revenue Bonds may be issued as Capital Appreciation Bonds. Regarding any Additional Revenue Bonds that are or are to be Capital

Appreciation Bonds, for the purpose of (a) determining compliance with the rate covenant for any period prior to the date of calculation, (b) determining whether Additional Revenue Bonds, regardless of whether they are to be Capital Appreciation Bonds, may be issued in compliance with the Additional Bonds Test when any Capital Appreciation Bonds are outstanding, (c) determining whether Additional Revenue Bonds that are to be Capital Appreciation Bonds may be issued in compliance with the Additional Bonds Test, and (d) determining the amount of the Required Bond Service Reserve attributable to such Capital Appreciation Bonds, the Bond service charges on such Additional Revenue Bonds will include the Appreciated Principal Amounts at maturity.

Bond service charges will not include payments potentially required to be made by the City under any Reimbursement Agreement to reimburse any Credit Provider for payments made to pay the principal of or interest or any premium on Revenue Bonds, but Bond service charges will include such payments if the City's obligation to make such payments will have accrued and become actual.

In anticipation of the issuance of any series of Additional Revenue Bonds, the City may issue one or more series of Revenue Bond Anticipation Notes. All requirements of the Trust Indenture applicable to Revenue Bonds will apply to Revenue Bond Anticipation Notes, including, without limitation the conditions precedent for the issuance of a series of Revenue Bonds. For the purpose of (a) determining compliance with the rate covenant for any period prior to the date of calculation, (b) determining whether Additional Revenue Bonds may be issued in compliance with the Additional Bonds Test when any Revenue Bond Anticipation Notes are outstanding, (c) determining whether Revenue Bond Anticipation Notes may be issued in compliance with the Additional Bonds Test and (d) determining the amount of the Required Bond Service Reserve attributable to such Revenue Bond Anticipation Notes, the Bond service charges payable on any Revenue Bond Anticipation Notes will be computed for purposes of the Trust Indenture in the same manner as for Balloon Bonds.

Credit Providers

In addition to the Airport Revenues payable into the Special Funds and other amounts, proceeds, moneys, investments, rights, and interests pledged and assigned by the City to the Trustee under the Trust Indenture to secure the payment of the Bond service charges on the Revenue Bonds, the Supplemental Indenture for any series of Additional Revenue Bonds may provide for a Credit Support Instrument applicable to such series of Revenue Bonds without any requirement that the security or protection afforded by such Credit Support Instrument extend or apply to the Revenue Bonds of any other series. Provided that the Credit Support Instrument is in full force and effect and the Credit Provider has made all payments and met its obligations under the Credit Support Instrument and is not in any insolvency proceedings, then the Supplemental Indenture for any series of Revenue Bonds to which any such Credit Support Instrument applies may include provisions permitting the Credit Provider to act as, or in the place of, the holders of such Revenue Bonds for the purposes and on the terms and conditions set forth in such Supplemental Indenture.

Bond Service Reserve Fund

In connection with any issuance of Additional Revenue Bonds, and provided that the City maintains a rating on Outstanding Revenue Bonds determined without regard to any credit enhancement (an underlying rating), the City may, in the applicable Supplemental Indenture, provide that no deposit to the Bond Service Reserve Fund will be made for or with respect to such Additional Revenue Bonds, in which case: (a) the holders of such Additional Revenue Bonds will have no right or entitlement to have any portion of the Bond service charges on such Additional Revenue Bonds be paid from amounts in the Bond Service Reserve Fund, (b) the lien of and pledge on the Bond Service Reserve Fund will not extend to or be for the benefit of the holders of such Additional Revenue Bonds, and (c) the Bond service charges on such Additional Revenue Bonds will not be taken into account in determining the Required Bond Service Reserve. In the event that the Supplemental Indenture applicable to an issue of Additional Revenue Bonds provides as described in the preceding sentence, then such Supplemental Indenture may also provide for the creation of a special reserve fund solely for such Additional Revenue Bonds, separate from the Bond Service Reserve Fund, and may provide for the deposit therein, at the time of issuance or in one or more subsequent deposits thereto, of an amount specified in the applicable Supplemental Indenture as the required reserve for such Additional Revenue Bonds, or may require the City to provide a municipal bond insurance policy, a bank letter or line of credit, or a surety bond to enhance the security for such Additional Revenue Bonds in lieu of a funded reserve fund, provided that such credit facility meets certain requirements set forth in the Trust Indenture. If the Supplemental Indenture applicable to such a series of Additional Revenue Bonds so provides for such a special reserve fund and further requires that deposits be made thereto from Airport Revenues at any time, then such deposits may be made from Airport Revenues on a parity with payments made to the Bond Service Reserve Fund to replenish any cash withdrawals from the Bond Service Reserve Fund.

In addition, if the Supplemental Indenture applicable to a series of Additional Revenue Bonds provides as described in the immediately preceding paragraph, then such Supplemental Indenture will also provide that the amount of any defaulted interest or principal on such series of Revenue Bonds, which would have been timely paid had the Required Bond Service Reserve for those Revenue Bonds been fully funded in the Bond Service Reserve Fund, will be paid from Airport Revenues on a parity with payments to be made to any providers of credit facilities held for the Bond Service Reserve Fund in lieu of cash and investments to reimburse those providers for claims or draws on those credit facilities.

Subordinated Indebtedness

The City may, at any time and from time to time, issue or incur Subordinated Indebtedness for the purpose of financing any capital improvement to the Airport System. In addition, any amounts owed by the City to a Hedge Counterparty in respect of termination of a Qualified Hedge Agreement will be considered as Subordinated Indebtedness. Subordinated Indebtedness is secured by, and is payable from, Airport Revenues on a basis subordinate to payment of Bond service charges on Revenue Bonds, the replenishment of the Bond Service Reserve Fund and the payment of maintenance and operating expenses of the Airport System.

Any supplemental indenture providing for the issuance of Subordinated Indebtedness will provide that the trustee for such Subordinated Indebtedness will have no right, power or authority to cause acceleration of such Subordinated Indebtedness unless and until the Trustee has exercised its power to accelerate the Revenue Bonds.

Particular Covenants

Payment: The City will pay, solely from the sources provided in the Trust Indenture, the Bond service charges on the Revenue Bonds on the dates and at the places and in the manner mentioned in the Revenue Bonds, and it will faithfully observe and perform at all times all agreements, covenants, undertakings, stipulations and provisions contained in the Series Bond Proceedings, in the Trust Indenture and in every Revenue Bond executed, authenticated and delivered under the Trust Indenture and in all proceedings of the Governing Body pertaining to the Revenue Bonds.

Maintenance and Operation of Airport System: The City will, but only from Airport Revenues, maintain or cause to be maintained the Airport System in a good state of repair and sound operating condition, will with reasonable diligence prudently develop, improve, and at all times operate in an economical and efficient manner the Airport System, and will comply with all valid acts, rules, regulations, orders and directions of any executive, legislative, administrative or judicial body applicable to the Airport System.

Payment of Taxes and Claims: The City will cause the payment of all lawful taxes, assessments and charges at any time levied or assessed upon or against the Airport Revenues or the Airport System, and will not create or suffer to be created any debt, lien or charge on the Airport System or on the Airport Revenues.

Insurance: To the extent reasonably obtainable at a reasonable cost, the City will procure, and maintain at all times while any of the Revenue Bonds will be outstanding, insurance covering the Airport System and its operations.

Accounting Records and Financial Statements: The City will have an annual audit of the Airport System made by nationally recognized independent certified public accountants in accordance with generally accepted accounting principles, and will furnish a copy of such audit to the Trustee promptly upon its completion along with a copy of the financial statements and reports which are regularly prepared by the City.

Tax-Exempt Status of Bonds: With respect to Revenue Bonds issued as obligations bearing interest that is excluded from gross income for federal income tax purposes, the City will take or cause to be taken such actions that may be required of it for the interest on those Revenue Bonds to be and to remain excluded from gross income for federal income tax purposes and will not omit to take any actions that may be required of it for that purpose.

Rates and Charges: So long as any Revenue Bonds are outstanding, the City will at all times prescribe and charge such rates, fees and charges for the use of the Airport System, its services and supplies, and will provide for the charging of such rates, fees and charges and the making of payments to the City of such rentals or other considerations for the use and operation of the Airport System, so as to produce, in each fiscal year, Airport Revenues, together with

Other Available Funds, less Operating Expenses at least equal to 125% of the amount maturing and becoming due in such fiscal year for the payment of principal of and interest on all Outstanding Revenue Bonds.

Supplemental Indentures

The City and the Trustee, without the consent of the Bondholders, may enter into supplemental indentures for the following purposes: correcting ambiguities or inconsistencies in the Trust Indenture, granting additional rights to the Trustee, subjecting additional revenues to the lien of the Trust Indenture, adding to the covenants of the City, evidencing any succession of the City with respect to the Airport System, in connection with the issuance of Additional Revenue Bonds in accordance with the Trust Indenture, complying with Federal tax or securities laws, making further provisions for use of a book entry system of registration, to permit the Trustee to comply with obligations imposed on it, to specify further the duties of and relationship among the Trustee, Bond Registrar and any Authenticating Agents or Paying Agents, and to permit any other amendment that, in the judgment of the Trustee, will not materially adversely affect the interests of the Trustee or the holders of Revenue Bonds.

With the consent of the holders of not less than two-thirds in aggregate principal amount (and Appreciated Principal Amount) of the Revenue Bonds then outstanding, the City and the Trustee may enter into supplemental indentures modifying, altering, amending, adding to or rescinding any of the terms or provisions of the Trust Indenture. No such supplemental indenture, however, will (a) extend the maturity of the principal of or the interest on any Revenue Bond issued under the Trust Indenture, or reduce the principal amount thereof, or reduce the rate or extend the time of payment of interest thereon, or reduce any premium payable or redemption thereof, or extend the time of any payment required by any mandatory sinking fund requirements, without the consent of the holder of each Revenue Bond affected thereby, or (b) permit a privilege or priority of any Revenue Bond or Revenue Bonds, or a reduction in the aggregate principal amount of the Revenue Bonds required for consent to such supplemental indenture, without the consent of the holders of all of the Revenue Bonds then outstanding.

Effective upon obtaining the consent of all of the holders of all Outstanding Revenue Bonds, the Trust Indenture requirement that the consent of the holders of not less than two-thirds of the aggregate principal amount of all outstanding Revenue Bonds be obtained for amendments of the Trust Indenture subject to bondholder consent is to be amended so that the holders of a majority in aggregate principal amount of all Outstanding Revenue Bonds may consent to such amendments. In addition, upon obtaining such consent, the provision in the Trust Indenture requiring the consent of all holders of all Outstanding Revenue Bonds to any amendment reducing the percentage of holders whose consent is required is to be eliminated.

Events of Default

Each of the following occurrences or events is declared to be an Event of Default under the Trust Indenture:

- (a) The failure to make payment of any interest on any Revenue Bond when and as the same will have become due.

(b) The failure to make payment of the principal or mandatory sinking fund payment of, or any premium on, any Revenue Bond when and as the same will become due, whether at the stated maturity thereof, by acceleration or call for redemption.

(c) The filing by the City of a petition for reorganization or rearrangement or readjustment of its obligations under the provisions of any bankruptcy or moratorium laws or similar laws relating to or affecting creditors' rights.

(d) Default in the performance or observance of any other of the covenants, agreements or conditions on the part of the City included in the Trust Indenture or in the Revenue Bonds and the continuance thereof for a period of 90 days after written notice to the City given by the Trustee or the holders of not less than 25% in aggregate principal amount of Revenue Bonds then outstanding.

Remedies for Default

Upon the occurrence of an Event of Default the Trustee may, and upon the request of the holders of at least 25% in aggregate principal amount of Revenue Bonds outstanding, the Trustee will, declare the principal of all Revenue Bonds to be immediately due and payable. The Trustee may require indemnification before taking any such action under the Trust Indenture. The Trust Indenture does not require the filing of any periodic evidence as to the absence of default or as to compliance with the Trust Indenture.

Upon the occurrence of an Event of Default, the City will, upon demand of the Trustee, surrender control of any Special Funds held by the City and possession of the Airport System to the Trustee, and the Trustee may operate the Airport System for the benefit of the holders of Revenue Bonds.

Provision has been made, and may be made, in Supplemental Indentures for Revenue Bonds secured by a Credit Support Instrument that the Credit Provider will be deemed to be the holder of all the Revenue Bonds secured by that Credit Support Instrument and may act in the place of the holders of those Revenue Bonds for purposes of (i) making requests and giving directions and consents to the Trustee and exercising any and all other rights which Bondholders would have the power and authority to make, give, or exercise with respect to remedies under the Trust Indenture as a result of the occurrence and continuation of an Event of Default, and (ii) making or giving any other consent, direction, or approval permitted or required under the Trust Indenture to be made or given by holders of Revenue Bonds secured by that Credit Support Instrument.

Waiver of Events of Default

The Trustee may in its discretion waive any event of default at the request of the holders of 25% in aggregate principal amount (and Appreciated Principal Amount) of Revenue Bonds then outstanding; provided, however, an event of default occasioned by the failure to pay principal or interest may not be waived until such principal or interest payment, plus penalty interest at the rate borne by the Revenue Bonds, and all expenses of the Trustee, will be paid.

At any time after the Revenue Bonds have been accelerated and before a receiver has been appointed and confirmed and if all sums then due on the Revenue Bonds (other than pursuant to the acceleration) have been paid and all existing defaults have been cured, the holders of not less than 25% in aggregate principal amount of all Revenue Bonds then outstanding may rescind such acceleration.

Defeasance

If the City will pay or cause to be paid the principal of, premium, if any, and interest due on the outstanding Revenue Bonds at the times and in the manner stipulated in the Trust Indenture, and will have paid all fees and charges of the Trustee and any Paying Agents, the Trust Indenture will cease, determine and become null and void, and the Trustee will release the Trust Indenture and discharge the lien thereof.

Any outstanding Revenue Bonds of one or more series will be deemed to have been paid and discharged within the meaning of the Trust Indenture if:

(a) the Trustee and the Paying Agents will hold, in trust for and irrevocably committed thereto, sufficient moneys, or

(b) the Trustee will hold, in trust for and irrevocably committed thereto, Defeasance Obligations which an independent public accounting firm of national reputation certifies to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient together with moneys referred to in (a) above, for the payment, at their maturity, redemption or due date, as the case may be, of all Bond service charges thereon to the maturity, redemption, or due date, as the case may be, or if default in such payment will have occurred on such date, then to the date of the tender of such payment;

provided, that if any of such Revenue Bonds are to be redeemed prior to the stated maturity thereof, notice of such redemption will have been duly given or irrevocable provision satisfactory to the Trustee will have been duly made for the giving of such notice, which provision, however, will be subject to change as to the date or dates specified for such redemption as described below.

If a forward supply contract is employed in connection with the defeasance (a) the verification report will expressly state that the adequacy of the escrow to accomplish the defeasance relies solely on the initial Defeasance Obligations and the maturing principal thereof and interest income thereon and does not assume performance under or compliance with the forward supply contract and (b) the applicable escrow agreement will provide that in the event of any discrepancy or difference between the terms of the forward supply contract and the escrow agreement, the terms of the escrow agreement will be controlling.

Any moneys held by the Trustee for the defeasance of Revenue Bonds may be invested by the Trustee but only in Defeasance Obligations the maturities or redemption dates of which, at the option of the Trustee, will coincide as nearly as practicable with, but not later than, the time

or times at which those moneys will be required to pay Bond service charges. Any income or interest earned by, or increment to, the investments held will, to the extent determined from time to time by the Trustee to be in excess of the amount required to be held by it for the purpose, be transferred to the City free and clear of the lien of the Trust Indenture, pursuant to instructions by the Fiscal Officer.

In the event that the Trust Indenture is satisfied and discharged and if, but only if, the City will then so direct the Trustee, the holders of any Revenue Bonds then outstanding, the maturity or redemption dates of which have not then arrived, may (to the extent that such will not be in conflict with the provisions of a trust agreement, if any, under which the Trustee holds moneys and/or Defeasance Obligations and will not result in insufficient moneys to pay Bond service charges on other Revenue Bonds at maturity or redemption) as of and on any Interest Payment Date or Dates stated in such direction by the City to the Trustee, surrender those Revenue Bonds to a Paying Agent and, upon such surrender, be paid the principal amount of any Revenue Bond surrendered, with any applicable redemption premium, as stated in the direction by the City to the Trustee, plus interest accrued on any such Revenue Bond so surrendered. Such right may be exercised only after the holders of any such Revenue Bonds to be surrendered have given written notice to the Trustee, at least 70 days (or such other period as may be stated in such direction to the Trustee) before the Interest Payment Date on which they request such payment, of their intent so to surrender the Revenue Bonds for such payment and setting forth in such notice the Revenue Bonds to be surrendered. If any Revenue Bond as to which such notice of intent has been given is not surrendered on or before such Interest Payment Date, surrender thereof for payment need not be accepted at any time thereafter prior to maturity or call for redemption. After receiving the aforesaid directions from the City and within 30 days after such discharge and satisfaction of the Trust Indenture, the Trustee will give Bondholders notice of the provisions described in this paragraph in the same manner as provided for in the Trust Indenture for mailing notice of redemption of Revenue Bonds. In the case of discharge and satisfaction of the Trust Indenture pursuant to an advance refunding, a second notice of such discharge and satisfaction will be given by the Trustee to the holders of the Revenue Bonds so affected, by the same manner as provided for the mailing of notice of redemption, at least 30 days prior to the actual redemption date of such Revenue Bonds.

Notwithstanding the foregoing, those provisions of the Trust Indenture or any Supplemental Indenture relating to the maturity of Revenue Bonds, interest payments and dates thereof, optional and mandatory redemption provisions, credit against mandatory sinking fund installments, exchange, transfer and registration of Revenue Bonds, replacement of mutilated, destroyed, lost, or wrongfully taken Revenue Bonds, the safekeeping and cancellation of Revenue Bonds, non-presentment of Revenue Bonds, the holding of moneys in trust, repayments to the City from the Special Funds, compliance with any applicable Federal tax law and the duties of the Trustee in connection with all of the foregoing, will remain in effect and will be binding upon the Trustee and the Bondholders notwithstanding the release and discharge of the lien of the Trust Indenture.

Condemnation and Destruction

In the event of the condemnation or destruction of the Airport System or a portion thereof, the net proceeds of any insurance or condemnation award will be applied to reconstruct or restore the Airport System to substantially the same level as prior to such condemnation or destruction. The Trust Indenture does not provide for any extraordinary optional redemption of

Revenue Bonds in the event of condemnation or destruction of the Airport System, but any excess net proceeds not required to reconstruct or restore the Airport System may, and in the event of condemnation will, be used to redeem Revenue Bonds then subject to redemption.

Investments of Amounts in Special Funds

Moneys held in any Special Fund maintained by the Trustee will be invested in Eligible Investments by the Trustee at the written request of the City's Director of Finance, and moneys held in any Special Fund maintained by the City will be invested by the City only in Eligible Investments. Any such investment will be deemed at all times a part of the Special Fund from which the investment has been made, and profits and losses on such investments will be credited or charged, as the case may be, to such Special Funds; provided that earnings on amounts in the Bond Service Reserve Fund which are not needed to satisfy the Required Bond Service Reserve will be transferred to the City for deposit in the Renewal and Replacement Fund.

Release of Property

The Trust Indenture provides that the City may remove from the Airport System any unimproved and unneeded part of the real property or interests in real property comprising part of the Airport System, and may grant easements with respect to any such real property or interests therein, upon delivery of certain documents to the Trustee, including the following:

(a) An ordinance adopted by the City's Council stating that the City is not in default under the Trust Indenture, giving an adequate legal description of the real property to be released, stating the purpose for which the release is desired and the improvements to be made on such real property, and requesting its release from the lien of the Trust Indenture; and

(b) A certificate of an Airport Consultant stating that real property proposed to be released is not otherwise needed for, or has become inexpedient to use in connection with, the Airport System, and that such release would not impair the City's ability to produce Airport Revenues sufficient to meet all the requirements to be met therefrom under the Trust Indenture and the Revenue Bonds.

The Trust Indenture also permits the City to sell Burke Lakefront Airport at any time without having to deliver an ordinance of the City Council or a certificate of an Airport Consultant. All net proceeds of the sale of Burke Lakefront Airport, after reimbursing the Airport System for all amounts paid from any of the Special Funds in excess of the Burke Deficit (as defined in the Use Agreement), will be paid to the City and may be applied by the City for any purpose, whether or not related to the Airport System.

The proceeds from the sale of any other real property or interests in real property, which are part of the Airport System, as improved with the proceeds from the sale of Revenue Bonds, will be deposited in the Revenue Fund, except where in conflict with agreements between the City and the United States of America. The proceeds from the sale of any future-acquired property will be payable to the City after reimbursing the Airport System for all costs and expenses incurred by the Airport System in connection with the acquisition, improvement and disposition of any such future-acquired property.

APPENDIX B

FORMS OF OPINIONS OF BOND COUNSEL

Series 2016A Opinion

We have served as bond counsel to our client the city of Cleveland, Ohio (the “City”), and not as counsel to any other person in connection with the issuance by the City of its \$108,120,000 Airport System Revenue Bonds, Series 2016A (the “Series 2016A Bonds”), dated the date of this letter.

The Series 2016A Bonds are issued pursuant to the authority of the Constitution and laws of the state of Ohio, the Charter of the City, and Ordinance No. 64-13 passed by the Council of the City on January 28, 2013 (the “Bond Legislation”). The Series 2016A Bonds are issued and secured under the Amended and Restated Trust Indenture (Seventeenth Supplemental Trust Indenture dated as of November 1, 2011), effective January 31, 2012 (the “Trust Indenture”), between the City and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), as supplemented by the Twenty-first Supplemental Trust Indenture, dated February 23, 2016 (the “Twenty-first Supplemental Indenture” and, together with the Trust Indenture, the “Indenture”), between the City and the Trustee. Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2016A Bonds, a copy of the signed and authenticated Series 2016A Bond of the first maturity, a certified copy of the Bond Legislation, an executed counterpart of the Trust Indenture, an executed counterpart of the Twenty-first Supplemental Indenture, and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Series 2016A Bonds and the Indenture are valid and binding obligations of the City enforceable in accordance with their respective terms.

2. The Series 2016A Bonds constitute special obligations of the City, and the principal of and interest on (collectively, “debt service”) the Series 2016A Bonds, together with debt service on the bonds of each series issued and outstanding, from time to time, under the Trust Indenture on a parity with the Series 2016A Bonds (collectively, the “Bonds”), are payable solely from the Airport Revenues and Special Funds established under the Trust Indenture, all as defined and described in the Trust Indenture. The Bonds are secured by a pledge of and assignment of the Airport Revenues and the Special Funds and by the Trust Indenture. The Bonds and the payment of debt service on the Bonds are not secured by an obligation or pledge of any money raised by taxation, and the Bonds do not represent or constitute a general obligation debt of the City or a pledge of the faith and credit of the City, the state of Ohio or any of its political subdivisions.

3. Interest on the Series 2016A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Series 2016A Bonds earned by certain corporations may be subject to a corporate alternative minimum tax. Interest on, and any profit made on the sale, exchange or other disposition of, the Series 2016A Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. We express no opinion as to any other tax consequences regarding the Series 2016A Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the City, and (iii) the due authorization, signing and delivery by, and the binding effect upon and enforceability against, the Trustee of the Indenture.

In rendering those opinions with respect to the treatment of the interest on the Series 2016A Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the City. Failure to comply with certain of those covenants subsequent to issuance of the Series 2016A Bonds may cause interest on the Series 2016A Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Series 2016A Bonds and the enforceability of the Series 2016A Bonds, the Bond Legislation and the Indenture are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors’ rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Series 2016A Bonds has concluded on this date.

Respectfully submitted,

Series 2016B Opinions

We have served as bond counsel to our client the city of Cleveland, Ohio (the “City”), and not as counsel to any other persons in connection with the issuance by the City of its \$36,235,000 Airport System Revenue Bonds, Series 2016B (the “Series 2016B Bonds”).

The Series 2016B Bonds will be issued pursuant to the authority of the Constitution and laws of the state of Ohio, the Charter of the City and Ordinance No. 64-13 passed by the Council of the City on January 28, 2013, and under the Amended and Restated Trust Indenture (Seventeenth Supplemental Trust Indenture dated as of November 1, 2011), effective January 31, 2012 (the “Trust Indenture”), between the City and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), as supplemented by the Twenty-second Supplemental Trust Indenture, to be dated October 4, 2016 (the “Twenty-second Supplemental Indenture” and, together with the Trust Indenture, the “Indenture”), between the City and the Trustee.

Assuming satisfaction by the parties of their respective obligations in the Forward Delivery Bond Purchase Agreement, dated February 9, 2016, by and between the City and Stifel, Nicolaus & Company, Incorporated, as representative of the Underwriters, and no change in any applicable law, regulations, or rulings, or in interpretations thereof, or in any other facts or circumstances (tax related or otherwise) which, in our view, affect or are material to our opinion (including, without limitation, the existence of any litigation), we expect to issue our Bond Counsel Opinion with respect to the Series 2016B Bonds simultaneously with the issuance of the Series 2016B Bonds in substantially the form attached as Appendix B-3 to the Official Statement of the City, dated February 9, 2016.

Respectfully submitted,

We have served as bond counsel to our client the city of Cleveland, Ohio (the “City”), and not as counsel to any other person in connection with the issuance by the City of its \$36,235,000 Airport System Revenue Bonds, Series 2016B (the “Series 2016B Bonds”), dated the date of this letter.

The Series 2016B Bonds are issued pursuant to the authority of the Constitution and laws of the state of Ohio, the Charter of the City, and Ordinance No. 64-13 passed by the Council of the City on January 28, 2013 (the “Bond Legislation”). The Series 2016B Bonds are issued and secured under the Amended and Restated Trust Indenture (Seventeenth Supplemental Trust Indenture dated as of November 1, 2011), effective January 31, 2012 (the “Trust Indenture”), between the City and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Trustee”), as supplemented by the Twenty-second Supplemental Trust Indenture, dated October 4, 2016 (the “Twenty-second Supplemental Indenture” and, together with the Trust Indenture, the “Indenture”), between the City and the Trustee. Capitalized terms not otherwise defined in this letter are used as defined in the Indenture.

In our capacity as bond counsel, we have examined the transcript of proceedings relating to the issuance of the Series 2016B Bonds, a copy of the signed and authenticated Series 2016B Bond of the first maturity, a certified copy of the Bond Legislation, an executed counterpart of the Trust Indenture, an executed counterpart of the Twenty-second Supplemental Indenture, and such other documents, matters and law as we deem necessary to render the opinions set forth in this letter.

Based on that examination and subject to the limitations stated below, we are of the opinion that under existing law:

1. The Series 2016B Bonds and the Indenture are valid and binding obligations of the City enforceable in accordance with their respective terms.

2. The Series 2016B Bonds constitute special obligations of the City, and the principal of and interest on (collectively, “debt service”) the Series 2016B Bonds, together with debt service on the bonds of each series issued and outstanding, from time to time, under the Trust Indenture on a parity with the Series 2016B Bonds (collectively, the “Bonds”), are payable solely from the Airport Revenues and Special Funds established under the Trust Indenture, all as defined and described in the Trust Indenture. The Bonds are secured by a pledge of and assignment of the Airport Revenues and the Special Funds and by the Trust Indenture. The Bonds and the payment of debt service on the Bonds are not secured by an obligation or pledge of any money raised by taxation, and the Bonds do not represent or constitute a general obligation debt of the City or a pledge of the faith and credit of the City, the state of Ohio or any of its political subdivisions.

3. Interest on the Series 2016B Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”) and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, portions of the interest on the Series 2016B Bonds earned by certain corporations may be subject to a corporate alternative minimum tax.

Interest on, and any profit made on the sale, exchange or other disposition of, the Series 2016B Bonds are exempt from all Ohio state and local taxation, except the estate tax, the domestic insurance company tax, the dealers in intangibles tax, the tax levied on the basis of the total equity capital of financial institutions, and the net worth base of the corporate franchise tax. We express no opinion as to any other tax consequences regarding the Series 2016B Bonds.

The opinions stated above are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. In rendering all such opinions we assume, without independent verification, and rely upon (i) the accuracy of the factual matters represented, warranted or certified in the proceedings and documents we have examined, (ii) the due and legal authorization, execution and delivery of those documents by, and the valid, binding and enforceable nature of those documents upon, any parties other than the City, and (iii) the due authorization, signing and delivery by, and the binding effect upon and enforceability against, the Trustee of the Indenture.

In rendering those opinions with respect to the treatment of the interest on the Series 2016B Bonds under the federal tax laws, we further assume and rely upon compliance with the covenants in the proceedings and documents we have examined, including those of the City. Failure to comply with certain of those covenants subsequent to issuance of the Series 2016B Bonds may cause interest on the Series 2016B Bonds to be included in gross income for federal income tax purposes retroactively to their date of issuance.

The rights of the owners of the Series 2016B Bonds and the enforceability of the Series 2016B Bonds, the Bond Legislation and the Indenture are subject to bankruptcy, insolvency, arrangement, fraudulent conveyance or transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion, and to limitations on legal remedies against public entities.

The opinions rendered in this letter are stated only as of this date, and no other opinion shall be implied or inferred as a result of anything contained in or omitted from this letter. Our engagement as bond counsel with respect to the Series 2016B Bonds has concluded on this date.

Respectfully submitted,

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APPENDIX C

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Series 2016 Bonds”). The Series 2016 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each stated maturity of the Series 2016 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC. **So long as Cede & Co. is the registered owner of the Series 2016 Bonds, as partnership nominee for DTC, references herein to Bondholders, holders or owners of the Series 2016 Bonds (other than under the captions “TAX MATTERS” and “CONTINUING DISCLOSURE” herein) shall mean Cede & Co. and shall not mean the Beneficial Owners of the Series 2016 Bonds.**

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf

of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016 Bonds, except in the event that use of the book-entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Series 2016 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Series 2016 Bonds purchased or tendered, through its Participant, to the Paying Agent, and shall effect delivery of such Series 2016 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2016 Bonds, on DTC's records, to the Paying Agent. The requirement for physical delivery of Series 2016 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2016 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2016 Bonds to the Paying Agent's DTC account.

DTC may discontinue providing its services as depository with respect to the Series 2016 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Direct Participants and Indirect Participants may impose service charges on book entry interest owners in certain cases. Purchasers of book entry interests should discuss that possibility with their brokers.

The City and the Trustee have no role in the purchases, transfers or sales of book entry interests. The rights of Beneficial Owners (i.e., book entry interest owners) to transfer or pledge their interests, and the manner of transferring or pledging those interests, may be subject to applicable state law. Beneficial Owners may want to discuss with their legal advisers the manner of transferring or pledging their book entry interests.

The City and the Trustee have no responsibility or liability for any aspects of the records or notices relating to, or payments made on account of, book entry interest ownership, or for maintaining, supervising or reviewing any records relating to that ownership.

The City cannot and does not give any assurances that DTC, Direct Participants, Indirect Participants or others will distribute to the Beneficial Owners payments of debt charges on the Series 2016 Bonds made to DTC as the registered owner, or any redemption or other notices, or that the City will do so on a timely basis, or that DTC will serve and act in a manner described in this Official Statement.

DTC may discontinue providing its services as securities depository with respect to the Series 2016 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2016 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Series 2016 Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and neither the City nor either the Underwriters makes any representation, warranty or guarantee, or otherwise take responsibility for, its accuracy or completeness.

APPENDIX D

CONTINUING DISCLOSURE AGREEMENTS

Continuing Disclosure Agreement of City

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”) is made and entered into as of [February 23, 2016][October 4, 2016], by and between the City of Cleveland (the “City”), a municipal corporation in, and a political subdivision of, the State of Ohio, and The Bank of New York Mellon Trust Company, N.A., a national banking association duly organized and validly existing under the laws of the United States of America and duly organized to exercise corporate trust powers under the laws of the State of Ohio, as successor trustee (the “Trustee”).

WHEREAS, the City of Cleveland, Ohio (the “City”) has determined to issue its Airport System Revenue Bonds, Series 2016[A][B] (Non-AMT) in the aggregate principal amount of [\$108,120,000][\$36,235,000] (the “Series 2016[A][B] Bonds”), pursuant to the Amended and Restated Trust Indenture (Seventeenth Supplemental Trust Indenture dated as of November 1, 2011) that became effective January 31, 2012 (the “Trust Indenture”), as supplemented by the [Twenty-First][Twenty-Second] Supplemental Trust Indenture dated [February 23, 2016][October 4, 2016], each between the City and the Trustee (the Trust Indenture, as supplemented, is herein referred to as the “Indenture”);

WHEREAS, the Series 2016[A][B] Bonds have been offered and sold pursuant to a Preliminary Official Statement dated January 29, 2016, and the City has entered into a [Forward Delivery] Bond Purchase Agreement dated February 9, 2016 with Stifel Nicolaus & Company, Incorporated, for itself (the “Representative”) and as representative of, J.P. Morgan Securities LLC, Estrada Hinojosa & Company, Inc., Loop Capital Markets, The Williams Capital Group, L.P., Merrill Lynch, Pierce, Fenner & Smith Incorporated and IFS Securities, Inc. (together with the Representative, the “Underwriters”), relating to the sale of the Series 2016[A][B] Bonds;

WHEREAS, the City wishes to provide for the disclosure of certain information concerning the Series 2016[A][B] Bonds, the City and other matters on an on-going basis as set forth herein for the benefit of the holders of the Series 2016[A][B] Bonds (the “Bondholders”) in accordance with the provisions of the Rule (as defined herein).

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and in the Indenture, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the parties hereto agree as follows:

Section 1. Definitions. All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Indenture. The following capitalized terms shall have the following meanings:

“Annual Financial Information” means annual financial information and operating data (historical only) found in the tables titled “Summary of Recent Historical Airport Activity,” “Monthly Enplanement Comparison at the Airport” and “Historical Domestic Originating and Connecting Enplanements” under “THE AIRPORT SYSTEM – Airport Passenger Activity” and

the table under the heading “Airline Market Shares” and in the tables titled “Sources of Airport Revenues,” “Operating Results,” “Reconciliation of Operating Results (GAAP),” “Bond Service Coverage Calculation” and “Mid-Year Financial Reporting” in “AIRPORT FINANCIAL INFORMATION.”

“Annual Report” shall mean the Annual Report described in and provided pursuant to Sections 3 and 4 hereof.

“Fiscal Year” shall mean each fiscal year of the City, commencing with the fiscal year ending December 31, 2016.

“Listed Events” shall mean any of the following events with respect to the Series 2016[A][B] Bonds:

1. Principal and interest payment delinquencies on the Series 2016[A][B] Bonds;
2. Non-payment related defaults on the Series 2016[A][B] Bonds, if material;
3. Unscheduled draws on debt service reserves relating to the Series 2016[A][B] Bonds reflecting financial difficulties^(a);
4. Unscheduled draws on credit enhancements relating to the Series 2016[A][B] Bonds reflecting financial difficulties^(a);
5. Substitution of credit or liquidity providers, or their failure to perform^(a);
6. (Issuance of) Adverse tax opinions with respect to the Series 2016[A][B] Bonds, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2016[A][B] Bonds, or other material events affecting the tax status of the Series 2016[A][B] Bonds;
7. Modifications to rights of Holders or beneficial owners of the Series 2016[A][B] Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Series 2016[A][B] Bonds, if material^(b);
11. Rating changes on the Series 2016[A][B] Bonds;

(a) The City has not obtained or provided, and does not expect to obtain or provide, any credit enhancements or credit or liquidity providers for the Series 2016[A][B] Bonds (except for the Bond Insurance Policy).

(b) Repayment of the Series 2016[A][B] Bonds is not secured by a lien on any property capable of release or sale or for which other property may be substituted.

12. Bankruptcy, insolvency, receivership or similar event of the obligated person; *Note: For the purposes of the event identified in this subparagraph, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person;*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Participating Underwriters” shall mean any Underwriter required to comply with the Rule in connection with the offering of the Series 2016[A][B] Bonds.

“Repository” shall mean the MSRB or any other repository designated hereafter by the Rule to be the repository for receiving continuing disclosure.

“Rule” shall mean Rule 15c2-12(b) adopted by the Securities and Exchange Commission (the “SEC”) under the Securities Exchange Act of 1934, as the same may be amended from time to time, as such amendments apply to the Series 2016[A][B] Bonds.

“Tax-exempt” shall mean that interest on the Series 2016[A][B] Bonds is excluded from gross income for federal income tax purposes, whether or not such item is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

Section 2. General Provisions. This Agreement is being executed and delivered by the City for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with the Rule. Nothing herein shall limit the duties or obligations of the Trustee under the Indenture. In its actions under this Agreement, the Trustee shall be entitled to the same protection in so acting under this Agreement as it has in acting as Trustee under the Indenture.

Section 3. Provision of Annual Reports.

(a) The City shall, not later than the last day of the ninth month following the end of each Fiscal Year (or the next succeeding business day if that day is not a business day), beginning September 30, 201[6][7], provide to the Repository and the Trustee, an Annual Report for the Fiscal Year of the City which ended on the previous December 31, which Annual Report is consistent with the requirements of Section 4 of this Agreement. The Annual Report may be submitted as a single document or as separate documents constituting a package, and may reference other information as provided in Section 4 of this Agreement. Upon receipt of the Annual Report from the City, the Trustee shall be entitled to assume that the City has provided the Annual Report to the Repository. The Trustee shall have no responsibility for providing the Annual Report to the Repository unless directed in writing to do so by the City.

(b) If the City fails to provide to the Repository an Annual Report by the date set forth in subsection (a) of this Section 3, the City shall send a notice in a timely manner to the Repository of such failure, which shall include a statement as to the date by which the City anticipates that the Annual Report will be provided to the Repository.

(c) The City agrees to use reasonable efforts to cause each obligated person other than the City to provide or cause to be provided to the Repository an Annual Report as such term is defined in the Continuing Disclosure Agreement, dated as of the date hereof, by and between United Airlines, Inc. and the Trustee.

Section 4. Content of the Annual Report. The Annual Report shall contain or incorporate by reference the Annual Financial Information and annual audited financial statements for the City's Department of Port Control, Divisions of Cleveland Hopkins International and Burke Lakefront Airports, if available. If the annual audited financial statements are not available at the time of the submission of the Annual Report, then they shall be submitted when and if available. This information may be included by specific reference from other documents which have previously been provided to the Repository or to the SEC. If the document included by reference is a final official statement, it must be available from the MSRB.

Section 5. Reporting of Listed Events. The City shall provide (or cause to be provided) to the Repository, in an electronic format and containing such identifying information as is prescribed by the Repository and in a timely manner but not later than ten business days after the occurrence of the event, notice of any of the Listed Events as specified by the Rule.

Section 6. Means of Reporting Information. Information provided by the City shall be transmitted electronically, currently through the Electronic Municipal Market Access ("EMMA") system, to the Repository, or by whatever means are mutually acceptable to the City and the Repository, as applicable.

Section 7. Termination of Reporting Obligation; Sources of Payment. The obligations of the City under this Agreement shall remain in effect only for such period that (i) the Series 2016[A][B] Bonds are outstanding in accordance with their terms and (ii) the City remains an obligated person with respect to the Series 2016[A][B] Bonds within the meaning of

the Rule. The obligation of the City to provide the Annual Financial Information and notices of the Listed Events shall terminate, if and when the City no longer remains an obligated person with respect to the Series 2016[A][B] Bonds, provided that the City shall provide notice of such termination to the MSRB and the Trustee. The performance of this Agreement shall be subject to the availability of funds and their annual appropriation to meet costs the City would be required to incur to perform it.

Section 8. Amendment; Waiver. The City may amend this Agreement and obtain a waiver of noncompliance with any provision hereof as may be necessary or appropriate to achieve its compliance with any applicable federal securities law or rule, to cure any ambiguity, inconsistency or formal defect or omission, and to address any change in circumstances arising from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted by the City. Any such amendment or waiver will not be effective unless the Agreement (as amended or taking into account such waiver) would have complied with requirements of the Rule at the time of the primary offering of the Series 2016[A][B] Bonds, after taking into account any applicable amendments to or official interpretations of the Rule, as well as any change in circumstances, and until the City shall have received either (a) a written opinion of bond or other qualified independent special counsel selected by the City, or determination by the Trustee, that the amendment or waiver would not materially impair the interests of holders or beneficial owners of the Series 2016[A][B] Bonds, or (b) the written consent to the amendment or waiver of the Bondholders of at least a majority of the principal amount of the Series 2016[A][B] Bonds then outstanding. Any such amendment or waiver shall be described by the City in the next Annual Report following the effective date of such amendment or waiver.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report or providing notice of occurrence of events, in addition to that which is required by this Agreement. If the City chooses to include any information in any Annual Report or provide notice of occurrence of events which are not Listed Events in addition to that which is specifically required by this Agreement, the City shall have no obligation to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default; Remedies. This Agreement shall be solely for the benefit of the holders and beneficial owners from time to time of the Series 2016[A][B] Bonds. The exclusive remedy for any breach of the Agreement by the City shall be limited, to the extent permitted by law and as hereinafter provided, to a right of holders and beneficial owners to cause proceedings at law or in equity to be instituted and maintained to obtain the specific performance by the City of its obligations hereunder. Any individual holder or beneficial owner may institute and maintain, or cause to be instituted and maintained, such proceedings to require the City to provide or cause to be provided a pertinent filing if such a filing is due and has not been made. Any such proceedings to require the City to perform any other obligation under this Agreement (including any proceedings that contest the sufficiency of any pertinent filing) may be instituted and maintained (i) by a trustee appointed by the holders and beneficial owners of not less than 25% in principal amount of the Series 2016[A][B] Bonds then outstanding, which trustee may,

and upon request of holders and beneficial owners of not less than 25% in principal amount of the Series 2016[A][B] Bonds then outstanding would be required to, institute and maintain such proceedings or (ii) holders and beneficial owners of not less than 10% in principal amount of the Series 2016[A][B] Bonds then outstanding. Any failure of the City to comply with the provisions of this Agreement shall not be a default or failure, or an event of default under the Indenture.

Section 11. Beneficiaries. This Agreement shall inure to the benefit of the City and the Underwriters and the holders and beneficial owners of the Series 2016[A][B] Bonds, and shall create no rights in any other person or entity.

Section 12. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Series 2016[A][B] Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Agreement shall be interpreted and construed in a manner consistent therewith.

Section 13. Severability; Counterparts. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect. This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

[February 23, 2016][October 4, 2016]

CITY OF CLEVELAND, OHIO

By: _____
Director of Finance

By: _____
Director of Port Control

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By: _____
Title:

Continuing Disclosure Agreement of United Airlines

THIS CONTINUING DISCLOSURE AGREEMENT (this “Agreement”) is made and entered into as of the [February 23, 2016][October 4, 2016], by and between United Airlines, Inc., a Delaware corporation (the “Company”), and The Bank of New York Mellon Trust Company, N.A., a national banking association, duly organized and validly existing under the laws of the United States of America and duly organized to exercise corporate trust powers under the laws of the State of Ohio, as trustee (the “Trustee”). All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Indenture (as defined herein).

WHEREAS, the City of Cleveland, Ohio (the “City”) has determined to issue its Airport System Revenue Bonds, Series 2016[A][B] (Non-AMT) in the aggregate principal amount of [\$108,120,000][\$36,235,000] (the “Series 2016[A][B] Bonds”), pursuant to the Amended and Restated Trust Indenture (Seventeenth Supplemental Trust Indenture dated as of November 1, 2011) that became effective January 31, 2012 (the “Trust Indenture”), as supplemented by the [Twenty-First][Twenty-Second] Supplemental Trust Indenture dated [February 23, 2016][October 4, 2016], each between the City and the Trustee (the Trust Indenture, as supplemented, is herein referred to as the “Indenture”);

WHEREAS, the Series 2016[A][B] Bonds have been offered and sold pursuant to a Preliminary Official Statement dated January 29, 2016, and the City has entered into a Bond Purchase Agreement dated February 9, 2016 with Stifel Nicolaus & Company, Incorporated, for itself (the “Representative”) and as representative of, J.P. Morgan Securities LLC, Estrada Hinojosa & Company, Inc., Loop Capital Markets, The Williams Capital Group, L.P., Merrill Lynch, Pierce, Fenner & Smith Incorporated and IFS Securities, Inc. (together with the Representative, the “Underwriters”), relating to the sale of the Series 2016[A][B] Bonds;

WHEREAS, the City, as an obligated person under the Rule (as defined herein), has entered into a Continuing Disclosure Agreement, dated as of [February 23, 2016][October 4, 2016], between the City and the Trustee in conjunction with the issuance of the Series 2016[A][B] Bonds;

WHEREAS, the Company is obligated under certain provisions of the Use Agreements with the City to pay terminal complex rental rates and landing fee rates to the City to produce Airport Revenues sufficient to meet the Rate Covenant;

WHEREAS, as of the date hereof, the Company accounts for 20% or more of the Airport Revenues at Cleveland Hopkins International Airport (the “Airport”); and

WHEREAS, the Company has agreed to provide for the disclosure of certain information concerning the Company and other matters on an on-going basis as set forth herein for the benefit of the Bondholders.

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and in the Indenture, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the parties hereto agree as follows:

Section 1. Definitions. The following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean such reports as the Company files with the SEC on Form 10-K or a successor form (including all materials physically included therewith or incorporated by reference therein) and, in the event that the Company no longer is required to file such reports on Form 10-K or a successor form, the Company’s audited financial statements prepared in accordance with generally accepted accounting principles and such related financial and operating data disclosure as is made available to the Company’s public shareholders generally or, in the event that the Company no longer is required to file such reports on Form 10-K or a successor form and no longer has any public shareholders, information concerning the Company’s business and properties, selected financial data and management’s discussion and analysis, together with the Company’s audited financial statements prepared in accordance with generally accepted accounting principles, comparable to the information contained in such report on Form 10-K.

“Annual Report” shall mean the Annual Report described in and provided pursuant to Section 3 hereof.

“Bondholders” or “holders” shall mean the Holders of the Series 2016[A][B] Bonds as defined in the Indenture.

“Business Day” shall mean any day other than a Saturday, Sunday, or a day on which the Trustee is required or authorized by law or executive order to close and is closed.

“Filing Date” shall mean the 120th day following the end of each Fiscal Year (or the next Business Day if that day is not a Business Day).

“Fiscal Year” shall mean each fiscal year of the Company, commencing with the fiscal year ending December 31, 2016.

“Notice Addresses”:

Trustee: The Bank of New York Mellon Trust Company, N.A.
1660 West Second Street, Suite 830
Cleveland, Ohio 44113
Attention: Global Corporate Trust
Telephone No.: 216-622-6512
Facsimile No.: 216-621-1441

Company: United Airlines, Inc.
233 South Wacker Drive, HDQFT
Chicago, Illinois 60606
Attention: Carol Manning
Telephone No.: 872-825-7655
Facsimile No.: 782-825-0316

City: City of Cleveland
Department of Finance
601 Lakeside Avenue, Room 104
Cleveland, Ohio 44114
Attention: Director of Finance
Telephone No.: 216-664-2536
Facsimile No.: 216-664-2535

“Obligated Person” has the meaning assigned to it in Section 7 hereof.

“Participating Underwriters” shall mean any Underwriter required to comply with the Rule in connection with the offering of the Series 2016[A][B] Bonds.

“Primary Offering” has the meaning assigned to it in paragraph (f) of the Rule.

“Repository” means the Municipal Securities Rulemaking Board, currently through its Electronic Municipal Market Access system (<http://emma.msrb.org/>).

“Rule” shall mean Rule 15c2-12(b) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

The captions and headings in this Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Sections, subsections, paragraphs, subparagraphs or clauses hereof. Reference to a “Section” means a section of this Agreement, unless otherwise indicated.

Section 2. General Provisions. This Agreement is being executed and delivered by the Company for the benefit of the Bondholders and in order to assist the Participating Underwriters in complying with the Rule. Nothing herein shall add to or limit the rights, duties or obligations of the Trustee under the Indenture. In its actions under this Agreement, the Trustee shall be entitled to the same protection in so acting under this Agreement as it has in acting as Trustee under the Indenture.

Section 3. Provision of Annual Reports. The Company hereby agrees to provide or cause to be provided, the Annual Financial Information for the preceding Fiscal Year to the Repository, not later than the Filing Date for that Fiscal Year when obligated to do so. If, in a given year during the term hereof, the Company is not so obligated, it shall provide or cause to be provided notice thereof to the Repository not later than 15 Business Days prior to the Filing Date. The Company expects that the Annual Financial Information will be provided by cross-reference to documents filed by the Company with the SEC, including, but not limited to, the Company’s Form 10-K.

Section 4. Content of the Annual Report. The Annual Report shall contain or incorporate by reference the Annual Financial Information. The Annual Financial Information may be included by specific reference from other documents which have previously been provided to the Repository or to the SEC.

Section 5. Notice of Certain Events. The Company agrees to provide or cause to be provided to the Repository and to the Trustee, in a timely manner, as applicable, (i) notice of its failure to provide or cause to be provided the Annual Financial Information on or prior to the Filing Date, (ii) notice of any change in the Company's Fiscal Year, (iii) notice of any change in the accounting principles applied in the preparation of the Annual Financial Information to the extent not disclosed in such Annual Financial Information, and (iv) notice of termination of this Agreement. Upon receipt of the information set forth in the preceding sentence from the Company, the Trustee shall be entitled to assume that the Company has provided such information to the Repository. The Trustee shall have no responsibility for providing any of such information received by it hereunder to the Repository unless directed in writing to do so by the Company.

Section 6. Means of Reporting Information. Information provided by the Company shall be transmitted electronically, through the Electronic Municipal Market Access ("EMMA") system, to the Repository, or by whatever means are mutually acceptable to the Company and the Repository, as applicable.

Section 7. Termination of Reporting Obligation. The obligations of the Company under this Agreement shall terminate at such time as the earlier to occur of the following: (i) all the Series 2016[A][B] Bonds are paid and discharged or deemed paid and discharged for purposes of the Indenture or (ii) the Company ceases to be an Obligated Person. For purposes of this Agreement, the Company shall be an "Obligated Person" and shall provide the information and notices in the time and manner called for under this Agreement if and for as long as: (A) for any fiscal year of the City during the term hereof, the Company is obligated under a lease, use agreement or other agreement and, for each of the two preceding fiscal years of the City, accounts for (1) at least 15% of the Airport Revenues and more than 40% of the enplaned passengers at the Airport or (2) 20% or more of the Airport Revenues, or (B) the Company is otherwise an obligated person with respect to the Series 2016[A][B] Bonds within the meaning of the Rule, if the Rule has been amended or modified after the date hereof to provide for a standard as to who constitutes such an obligated person that is different from the objective standard set forth in the foregoing clause (A) and that is applicable to the Company or if the SEC publishes information after the date hereof which makes it otherwise clear that the Company is such an obligated person. Notwithstanding the foregoing, in the event that any outstanding Bonds are converted to an interest rate mode not subject to the continuing disclosure provisions of the Rule, the obligations of the Company under this Agreement with regard to such Bonds shall be terminated for the period of time that such Bonds remain in the interest rate mode not subject to the continuing disclosure provisions of the Rule.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Company may amend this Agreement, and any provision of this Agreement may be revised if the Company and the Trustee have received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule. Any such amendment shall be described by the Company in the next Annual Report following the effective date of such amendment.

Section 9. Additional Information. Nothing in this Agreement shall be deemed to prevent the Company from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Report, in addition to that which is required by this Agreement. If the Company chooses to include any information in any Annual Report in addition to that which is specifically required by this Agreement, the Company shall have no obligation to update such information or include it in any future Annual Report.

Section 10. Default; Remedies. Failure of the Company to perform any of its undertakings contained in this Agreement shall not constitute an event of default with respect to the Series 2016[A][B] Bonds. The right of the Bondholders to enforce the provisions of this Agreement shall be limited to an action in mandamus, and no money damages shall be recoverable under any circumstances.

Section 11. Beneficiaries. This Agreement shall inure to the benefit of the Company, the City, the Participating Underwriters and the Bondholders, and shall create no rights in any other person or entity.

Section 12. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Ohio; provided that, to the extent that the SEC or any other federal or state agency or regulatory body with jurisdiction over the Series 2016[A][B] Bonds shall have promulgated any rule or regulation governing the subject matter hereof; this Agreement shall be interpreted and construed in a manner consistent therewith.

[February 23, 2016][October 4, 2016]

UNITED AIRLINES, INC.

By: _____

Title _____

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By: _____

Title:

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APPENDIX E

SPECIMEN BOND INSURANCE POLICY



**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52nd Street, New York, N.Y. 10019
(212) 974-0100

APPENDIX F

FORM OF DELAYED DELIVERY CONTRACT

_____, 2016

[Purchaser Name]
[Purchaser Address]

Re: \$36,235,000
City of Cleveland, Ohio
Airport System Revenue Bonds
Series 2016B (Non-AMT) (Forward Delivery)

Ladies and Gentlemen:

The undersigned (the “Purchaser”) hereby agrees to purchase from Stifel, Nicolaus & Company, Incorporated, as representative (the “Representative”) of itself and J.P. Morgan Securities LLC, Estrada Hinojosa & Company, Inc., Loop Capital Markets, The Williams Capital Group, L.P., Merrill Lynch, Pierce, Fenner & Smith Incorporated and IFS Securities, Inc. (collectively, the “Underwriters”) when, as and if issued and delivered from the City of Cleveland (the “City”), and the Underwriters agree to sell to the undersigned,

Par Amount	Maturity Date	Coupon Rate	Yield	CUSIP Number

in the aggregate principal amount of the above-referenced Series 2016B Bonds (the “Purchased Bonds”) offered by the City under the Preliminary Official Statement dated January 29, 2016 (the “Preliminary Official Statement”) and the Official Statement dated February 9, 2016 (the “Official Statement”), at the interest rates, principal amounts, and maturity dates shown above, and on the further terms and conditions set forth in this Delayed Delivery Contract. Terms not defined herein have meanings assigned in the Forward Delivery Bond Purchase Agreement.

The Purchaser hereby confirms that it has reviewed the Preliminary Official Statement and Official Statement, has considered the risks associated with purchasing the Purchased Bonds and is duly authorized to purchase the Purchased Bonds. The Purchaser acknowledges and agrees that the Purchased Bonds are being sold on a “forward” basis, and the Purchaser hereby purchases and agrees to accept delivery of the Purchased Bonds from the Underwriters on October 4, 2016 (the “Settlement Date”).

Payment for the Purchased Bonds which the Purchaser has agreed to purchase on the Settlement Date shall be made to the Underwriter or its order by wire transfer to a bank account specified by the Underwriters, on the Settlement Date upon delivery to the Purchaser of the Purchased Bonds then to be purchased by the Purchaser through the book-entry system of The Depository Trust Company.

Upon issuance by the City of the Purchased Bonds and purchase thereof by the Underwriters, the obligation of the Purchaser to take delivery of the Purchased Bonds hereunder shall be unconditional except if (1) any fact or event shall exist or have existed that results in the Official Statement containing an untrue statement or misstatement of material fact or omission of a material fact necessary in order to make the statements and information contained therein not misleading in any material respect, (2) the Underwriters terminate the Series 2016B Forward Delivery Bond Purchase Agreement prior to the Settlement Date, or (3) if at any time on or after the Closing Date but prior to the Settlement Date, one of the following events shall have occurred after the later of the Closing Date or the date hereof, and the Purchaser has notified the Representative in writing as provided herein, (a) Bond Counsel cannot issue an opinion to the effect that interest on the Purchased Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for the federal alternative minimum tax imposed on individuals and corporations and the Purchased Bonds and the interest thereon are exempt from certain state taxes, (b) Assured Guaranty fails to issue its municipal bond insurance policy for the Series 2016B Bonds, or (c) a Change in Law has occurred.

A “Change in Law” is defined to mean (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriters prohibit the Underwriters from completing the underwriting of the Series 2016B Bonds or selling the Series 2016B Bonds or beneficial ownership interests therein to the public, or (B) as to the City, would make the completion of the issuance, sale or delivery of the Series 2016B Bonds illegal. **If the Change in Law involves the enactment of legislation which only diminishes the value of, as opposed to eliminating the exclusion from gross income for federal income tax purposes, interest payable on “state or local bonds,” the City may, nonetheless, be able to satisfy the requirements for the delivery of the Purchased Bonds. In such event, the Purchaser would be required to accept delivery of the Purchased Bonds.**

The Purchaser acknowledges and agrees that it will not be able to withdraw its order as described herein, and except as described in the preceding paragraph will not otherwise be excused from performance of its obligations to take up and pay the Purchased Bonds on the Settlement Date. To effect a termination by the Purchaser, the Purchaser acknowledges and agrees that it must give written notice of termination of this Delayed Delivery Contract to the Representative before Settlement on the Settlement Date. The Purchaser understands and agrees that no termination of the obligation of the Purchaser may occur after Settlement (as defined in the 2016B Forward Delivery Bond Purchase Agreement). The Purchaser acknowledges and agrees that it will remain obligated to purchase the Purchased Bonds in accordance with the terms hereof even if the Purchaser decides to sell such Purchased Bonds following the date hereof, unless the Purchaser sells Purchased Bonds to another institution with the prior written consent of the Representative and such institution provides a written acknowledgment of confirmation of purchase order and a delayed delivery contract in the same respective forms as that executed by the Purchaser.

The Purchaser represents and warrants that, as of the date of this Delayed Delivery Contract, the Purchaser is not prohibited from purchasing the Purchased Bonds hereby agreed to be purchased by it under the laws of the jurisdiction to which the Purchaser is subject. Each of the undersigned parties represents and warrants that it has the power and authority to enter into this Delayed Delivery Contract and to perform its obligations hereunder.

This Delayed Delivery Contract will inure to the benefit of and is binding upon the parties hereto and their respective successors, but will not be assignable by either party without the written consent of the other.

The Purchaser acknowledges that the Underwriter is entering into an agreement with the City to purchase the Purchased Bonds in reliance in part on the performance by the Purchaser of its obligations hereunder.

This Delayed Delivery Contract may be executed by either of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument.

It is understood that the acceptance by the Underwriters of any Delayed Delivery Contract (including this one) is in the Underwriters' sole discretion and that, without limiting the foregoing, acceptances of such contracts need not be on a first-come, first-served basis. If this Delayed Delivery Contract is acceptable to the Underwriters, it is requested that the Representative sign the form of acceptance below and mail, email or otherwise deliver one of the counterparts hereto to the Purchaser at its address set forth below. This will become a binding contract between the Underwriters and the Purchaser when such counterpart is so mailed, e-mailed or otherwise delivered by the Underwriters. This Delayed Delivery Contract does not constitute a customer confirmation pursuant to Rule G-15 of the Municipal Securities Rulemaking Board.

This Delayed Delivery Contract shall be construed and administered under the laws of the State of Ohio.

[TRUST NAME]
[FUND NAME]

By: _____
Name: _____
Title: _____

Accepted: _____, 2016

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Name: _____
Title: _____



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